FBIS DAILY REPORT

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UK, ARGENTINA OPANAL MEETING CLASH OVER FALKLANDS

PY291827 Buenos Aires TELAM in Spanish 1028 GMT 29 Apr 87

[Text] Montevideo, 29 Apr (TELAM-EFE) -- During the 10th International Meeting on the Denuclearization of Latin America, Argentina and Great Britain engaged in a harsh debate on the presence of atomic weapons in the Malvinas.

During the 10th Conference of the Organization for the Proscription of Nuclear Arms in Latin America (OPANAL), the Argentine delegation stressed that Great Britain has nuclear weapons in the Malvinas.

The UK delegation denied the accusation and stated that Argentina is basing its opinion on the bad faith of one of the parties in order not to ratify the 1967 Tlatelolco Treaty on the denuclearization of Latin America.

The Argentine delegation [words indistinct] Great Britain is resorting to the tradition of the nuclear powers to not clearly reveal where these weapons are deployed or their quantity.

Diplomatic sources have told EFE that the debate between Argentina and Great Britain was the most tense moment during the first day of the conference, which opened on 28 April here in Montevideo. OPANAL exists as a result of the Tlatelolco Treaty and 32 countries are participating in the event.

During the previous meeting, which was held in Mexico 2 years ago, Argentina also accused Great Britain of installing nuclear weapons in the Malvinas. The two countries went to war over the Malvinas in 1982.

OAS SECRETARY GENERAL VISITS ST CHRISTOPHER

FL272211 Bridgetown CANA in English 1959 GMT 27 Apr 87

[Text] Bassaterre, St Kitts, April 27, CANA -- Secretary General of the Organisation of American States (OAS), Joao Clemente Baena Soares arrived here yesterday on a dual mission.

The secretary general is spending the first two days of his official visit as guest of the Kennedy Simmond's administration, while from Wednesday [29 April] he will be attending a meeting of the OAS.

Baena Soares said this week's meeting was [as received] very useful. Because the OAS is not a very rich organzation, these discussions with member states are important to determine the best way to utilize the resources, he explained.

During the meeting member countries will be asked to establish the priorities they have within their national development plans, so the organisation can adjust itself and its service to the desire of each country.

Baeno Soares said one of the main issues will be to discuss the priorities for the next biennial 1988-89, and also to see if the priorities in 1987 should be the same as the seventies or the sixties.

Baena Soares said he personally thinks that we should leave the priorities of the sixties and seventies and concentrate on the realities of the eighties.

ANDEAN PACT ANNOUNCES 1986 TRADE FIGURES

PY271500 Madrid EFE in Spanish 1837 GMT 25 Apr 87

[Text] Lima, 25 Apr (EFE) -- The Andean Pact countries' overall 1986 trade surplus balance totaled $2,629,000,000. This is lower than the overall 1985 trade surplus balance of $4,871,000,000.

According to preliminary figures released today by the Andean Pact office in Lima, 1986 exports by Bolivia, Colombia, Ecuador, Peru, and Venezuela totaled $19,156,000,000, while imports totaled $16,527,000,000. Compared to 1985, these figures represent a reduction of $5.12 billion in exports and a contraction of $245 million in imports.

Except for Colombia, which was favored by an increase in its coffee exports, from $3,553,000,000 to $5,104,000,000, all the other Andean countries were affected by the low price of their export products.

Venezuela and Ecuador, two oil-producing countries, saw their exports reduced to $5,577,000,000 and $719 million, respectively.

The mining countries, Peru and Bolivia, experienced a drop of export revenues to $332 and $44 million, respectively.

Colombia's 1986 imports were reduced from $4.87 billion to $3,861,000,000, and Venezuela's were reduced by $230 million. By contrast, Peru increased its imports by $860 million, Ecuador by $120 million, and Bolivia by $14 million.

The 1986 trade balance was negative for Bolivia by $168 million; positive for Colombia by $1,243,000,000; positive for Ecuador by $376 million; and positive for Peru by $86 million and for Venezuela by $1,092,000,000.

FORMER MAJOR BARREIRO APPEARS IN CORDOBA COURT

PY292321 Buenos Aires DYN in Spanish 2252 GMT 29 Apr 87

[Text] Cordoba, 29 Apr (DYN) -- Former Army Major Ernesto Barreiro, wanted by the courts, voluntarily appeared today before a federal court in Cordoba.

Indicted for Murder

PY300355 Buenos Aires TELAM in Spanish 0246 GMT 29 Apr 87

[Text] Cordoba, 29 Apr (TELAM) -- The Cordoba Appellate Court tonight ordered the rigorous preventive imprisonment of Army Major Ernesto Guillermo Barreiro.

Barreiro arrived at the federal court at 1930 [2230 GMT] and left at around 2200 in a car that was to take him to the III Corps, where he will remain strictly under the jurisdiction of the court.

In its decision, the court indicted Barreiro on six separate counts of torture and on one count of torture that resulted in murder.

Major Barreiro refused to be interrogated and did not appoint a defense lawyer. Thus, the court appointed Luis Eduardo Molina to serve as his public defender.

According to a court spokesman, Barreiro has regained his military rank for having appeared before the court for interrogation as provided by the Military Code of Justice. He will retain his rank throughout the trial. If he is acquitted, he will remain in the Army; if he is convicted, he will be discharged.

The court decision was read tonight to the press by Cesar Martinez Remach, the secretary of the court.

CHIEF OF STAFF DEFENDS 'DUE OBEDIENCE' IN ARMY

PY241750 Buenos Aires BUENOS AIRES HERALD in English 24 Apr 87 p 11

[Text] -- Air Force Chief of Staff Ernesto Crespo yesterday defended the principle of due obedience claiming that "in any military structure regulations establish that the officer in command is responsible for the consequences" of any operation.

"If crimes were committed, regulations still say that the commander has the obligation to punish those responsible. If he doesn't, then the commander is automatically responsible," said the military chief.

Lower House constitutional affairs committee chairman Jorge Vanossi (Capital) said that among the possibilities under study on the question of due obedience was the sanctioning of a law "freezing the trials of military officers for 120 days."

Buenos Aires gubernatorial candidate for the Radical Party Juan Manuel Casella said yesterday the courts will have to define the principle of due obedience on the basis of "the real situation Argentina was undergoing between 1976 and 1983," in reference to the degree of responsibility of the military officers in illegal repression.

In turn, former presidential candidate Italo Luder held that the issue of due obedience "is strictly judicial" and that debating it publicly "will not clarify anything," adding that "we must allow the Supreme Court to analyze the files and give its interpretation of the problem."

In this respect, Renewal Peronist Deputy Jose Luis Manzano (Mendoza) explained his bloc's refusal to accept any draft on the issue on the grounds that "sanctioning laws for one concrete case goes against Republican ethics."

"If you cross a road while the light is red and you crash, you can't then sanction a law allowing you to do that," he explained.

As to the delay in resolving the issue, state intelligence chief Facundo Suarez said that "the armed forces Supreme Council had the cases three years, you can't ask civilian courts to rule on it in four months. [punctuation as published]

According to reliable sources, Radical senators and those of provincial parties will in the upcoming period of ordinary congressional sessions, starting May 1, present a draft law exempting middle-ranking officers from responsibility in illegal repression.

As to court activity, reliable court sources reported that the Mendoza Federal Appeals Court yesterday released former local police chief retired General Pedro Sanchez Camargo, after his four-day testimony on 17 charges of crimes against humanity. The court may call him in again, as the case has not been dropped.

The magistrates confirmed the disappearance of documents from the local police headquarters reporting the entry and exit of detainees from the prison between 1976 and 1977.

The Comodoro Rivadavia Federal Appeals Court, in turn, released retired police officers Inocencio Carballo and Julio Cesar Krausse in the case investigating abuse of authority, illegal detentions and torments applied to political prisoners between 1976 and 1982. The case against Carballo continues, but that against Krausse has been dropped.

Finally, the Grandmothers of Plaza de Mayo requested that Foreign Minister Dante Caputo assign one or two lawyers to take charge of the operation to obtain the extradition of twin brothers Martin and Gustavo Rossetti Ross. The children were born in captivity and taken to Paraguay by a fugitive police chief and his wife. The Grandmothers said they feared for the twins' "psychological and physical health.

ATTORNEY GENERAL VIEWS 'DUE OBEDIENCE'

PY252148 Buenos Aires BUENOS AIRES HERALD in English 25 Apr 87 p 11

[Text] (NA-DYN) -- Prosecutor-General Juan Octavio Gauna yesterday said the judiciary can only delineate a concept of due obedience based in a concrete case and thus denied the Supreme Court can define the issue except through a ruling.

He also denied the possibility that federal courts would receive concrete instructions in the near future on cases involving the principle of due obedience.

Gauna said he had under study three appeals presented by the attorneys of police inspector Miguel Etchecolatz, police doctor Jorge Berges and Corporal Norberto Cozzani which request that the principle of due obedience be applied to their cases. Etchecolatz, Berges and Cozzani were convicted on charges of human rights violations committed under orders from former Buenos Aires police chief retired General Ramon Camps.

Presidential aides would be working on a proposal which in effect would except middle-ranking military officers from prosecution in cases of crimes against humanity, according to reliable court sources.

The sources revealed that two prominent lawyers had drafted proposals concerning the principle of due obedience. The first was reportedly presented by the lawyer for Berges while the second is said to be an independent work submitted by lawyer Pablo Argibay Molina.

Both drafts suggest middle-ranking officers acted under pressure and even coercion from their superiors during the dirty war on leftwing subversion.

Army Chief of Staff General Jose Caridi meanwhile said he hoped the principle of due obedience will be effective in human rights trials and admitted the Army is going through "very hard times."

Caridi confirmed that a resolution on the issue is under study from the judicial and legislative point of view and said he "prayed" for a prompt solution to the matter.

TROCCOLI VIEWS NEED FOR 'URGENT' MILITARY REFORM

PY291821 Buenos Aires BUENOS AIRES HERALD in English 29 Apr 87 p 29

[Text] (NA-DYN) -- Interior Minister Antonio Troccoli yesterday warned of the need to carry out an "urgent" military reform to ensure that certain attitudes on the part of the military "which can endanger Argentina's peace" never be repeated, in reference to the military insurrections during Holy Week.

Troccoli said the government had not been "sufficiently aware" of the situation which led to the uprisings, although it knew of the existence of tension among middle-ranking officers on account of the numerous court summonses.

Although he rejected the possibility of new rebellions, the minister said that the task of Argentine society will not be complete until the military reform is undertaken.

He also said that "there cannot and must not be an amnesty law in Argentina."

Troccoli stressed that the government "has not decided to elaborate a concrete draft law" on the suspension of the trials for 120 days and said that there are only proposals to that effect.

The minister considered that the principle of due obedience had to be defined by the judicial branch, and thought it "impractical" for the Supreme Court to try all human rights cases itself.

Vice-President Victor Martinez, meanwhile, considered it "convenient" that a law be sanctioned limiting the extent of due obedience.

Sources reported that this law will incriminate only commanders and those with a rank higher than lieutenant-colonel or its equivalent in the other forces.

He reported that three draft ammesty laws have entered the Senate, but that "we do not think they will be treated immediately and, in the second place, it is not the government's intention to sanction an amnesty law."

Three Supreme Court justices said that the Supreme Court is not empowered to paralyze human rights trials for 180 days and that it is awaiting a law to be sanctioned settling the question of due obedience.

State Intelligence Secretariat (SIDE) chief Facundo Suarez said yesterday that the military crisis "has been overcome" and that "there is reason to be optimistic" about a definite solution to the military problem.

Similarly, La Rioja Governor Carlos Menem said that "although there are still some things to touch up, there will be no future outbreak of rebellion of any kind."

Defense Minister Jose Horacio Jaunarena yesterday met with Army Chief-of-Staff General Jose Caridi for the second day in a row to analyze the normalization of the Army chain of command which was altered by recent events, it was officially reported.

The Friends and Relatives of Victims of Subversion (FAMUS) yesterday denounced a slander campaign staged against the entity and described as "infiltrators" those who in the grouping "made racist and insulting statements against national authorities."

In a statement, FAMUS expressed its "firm and total identification with the republican system.

Former French Prime Minister Raymond Barre yesterday compared the Argentine people's support for democracy during the recent crisis to the situation that arose during his country's war in Algeria.

CAPUTO LEAVES FOR ROME TRADE TALKS 27 APR

PY280112 Buenos Aires TELAM in Spanish 2026 GMT 27 Apr 87

[Excerpt] Buenos Aires, 27 Apr (TELAM) -- Today at 1700 Foreign Minister Dante Caputo departed for Rome, Italy, where he will attend meetings of the Argentine-Italian Joint Commission to draft a treaty on economic cooperation between the two countries.

Caputo declined to make remarks to the press, but Foreign Trade Secretary Roberto Lavagna, who is going with the foreign minister on this trip, made some remarks to the press. [passage omitted]

FOREIGN MINISTER QUESTIONS MERINO'S REMARKS

PY300325 Paris AFP in Spanish 0037 GMT 30 Apr 87

[Text] La Paz, 29 Apr (AFP) -- Bolivian Foreign Minister Guillermo Bedregal Gutierrez today labelled Admiral Jose Toribio Merino's remarks as a regrettable outburst. Merino, a member of the Chilean Government Junta, on 29 Aprii [as received] said he would veto the bill granting Bolivia an outlet to the sea.

Bedregal said in Bolivia there are people who oppose any type of initiative, and that something similar is probably happening in Chile. He added that it is possible Adm Merino is not aware of the whole proposal that he, Bedregal, submitted during the negotiations in Montevideo to his Chilean counterpart Jaime del Valle. In this proposal, Bolivia requested a land corridor to the sea in exchange for nonterritorial compensations.

Bedregal added that he understood the only persons who could reject the Montevideo negotiations are President Augusto Pinochet or Foreign Minister Jaime del Valle. Until these people give an answer to the Bolivian proposal, he added, there is hope the negotiations will continue.

Meanwhile, all political parties said Adm Merino's remarks were awkward, outrageous, and insulting.

GOVERNMENT APPROVES OIL, MINERAL ROYALTIES LAW

PY291607 La Paz PRESENCIA in Spanish 22 Apr 87 p 6

[Text] The government yesterday approved Law 0926 dated 25 March 1987, which has already been approved by Congress. It will benefit the departments that produce oil and minerals.

The following departments will receive oil and mineral royalties: Santa Cruz, Tarija, Chuquisaca, La Paz, Oruro, Potosi, and Cochabamba.

Following are the pertinent articles on compensation:

Article 1. As an exceptional and one-time measure, a total and definitive compensation is authorized for the loss in purchasing power of the oil royalties paid to the departments that produce hydrocarbons. These losses occurred in the 1982, 1983, 1984, and 1985 fiscal years in the following amounts:

Santa Cruz Regional Development Corporation: $69.72 million.
Tarija Regional Development Corporation: $15.8 million.
Chuquisaca Regional Development Corporation: $18.85 million.

The following amounts, for the same reasons and periods, are also acknowledged for the departments that produce minerals:

La Paz Regional Development Corporation: $7,763,000.
Oruro Regional Development Corporation: $11,418,303.
Potosi Regional Development Corporation: $7,559,955.
Cochambamba Regional Development Corporation: $532,399.

Royalties for the production and delivery of gold by La Paz Department will be incorporated in the provisions of this article, and they will be determined within 30 days of the promulgation of this law, with the participation of a representative of the La Paz Congressional Bloc, a respresentative of CORDEPAZ [La Paz Regional Development Corporation], and a representative of civic institutions.

Article 2. In order to cover the sums mentioned in Article 1 of the present law, the National Treasury will assume the debt the sugar mills from Guabira and Bermejo have incurred under the warrant system. The National Treasury will also assume the foreign debt of the regional development corporations, which will receive compensation. This compensation will take into account principal plus current and penalty interest outstanding on the dates of the decrees referred to in Article 6 [number as published] of this law, at the parity value of the debt in U.S. dollars on those dates.

Article 3. In case there is a difference between the sum mentioned in Article 1 and the debt assumed by the National Treasury, and the difference is in favor of the regional development corporations that receive compensation, that difference will be covered by matching funds from the central government. Infrastructures for communication and transportation projects will be given preference.

Article 4. A National Fund for Regional Development [Fondo Nacional de Desarrollo Regional] is created in order to promote the harmonious and balanced development of all the country's regions, particularly of those departments which do not benefit from oil or mining royalties. This fund will be financed by annual allotments in the National Budget.

The matching funds referred to in Article 3 of this law will also be disbursed through the National Fund for Regional Development to the regional development corporations receiving compensation. To this effect, such matching funds will be allotted to the National Fund for Regional Development in the National Budget.

The executive branch will issue regulations for the organization and operation of the National Fund for Regional Development within 90 days.

LABOR MINISTRY REPORTS UNEMPLOYMENT FIGURES

PY271733 La Paz La Red Panamericana in Spanish 1130 GMT 27 Apr 87

[Text] Labor Minister Alfredo Franco Guachalla has said that the economic team meets every day to issue decrees implementing the reactivation of the different productive sectors of the country.

He added that economic reactivation is important to create new jobs. He indicated that about 30,000 people are unemployed, 20,000 of whom were COMIBOL workers [Mining Corporation of Bolivia] the remaining from other sectors. He said many of them have already found work.

Franco pointed out that labor-management relations are good and that he advocates sectorial negotiations to find solutions to both large and small labor problems.

BRESSER INSTALLED AS NEW FINANCE MINISTER

Discusses Economic Objectives

PY300132 Rio de Janeiro Rede Globo Television in Portuguese 2255 GMT 29 Apr 87

[Impromptu news conference by new Finance Minister Luiz Carlos Bresser Pereira after being sworn in as finance minister, 29 Apr -- recorded]

[Text] [Reporter] Minister, what makes you believe that although you have an austere economic program in mind, you will have no problems with the PMDB [Brazilian Democratic Mobolization Party]?

[Bresser] I will not have any problems because the objective of the PMDB is medium-term economic growth. That is the objective: to defend national interests and economic development. Regarding the short term, we are all aware last year there was excessive growth and this excessive growth in the industrial sector, which amounted to 12 percent, was a major cause of the adjustments we are making now, the sharp drop experienced by our trade balance, and the resurgence of inflation. Therefore, this year we need to grow less.

[Reporter] Are you thinking about a maxidevaluation?

[Bresser] There is no intention to carry out a maxidevaluation.

[Reporter] How about a minidevaluation?

[Bresser] No. What I mentioned was the possibility of a small maxidevaluation, in other words, a small adjustment to the rate of exchange only if we see that exports do not pick up sufficiently.

Favors IMF-Like Plan

PY291340 Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 29 Apr 87

[Text] Luiz Arlos Bresser Pereira met yesterday with outgoing Minister Dilson Funaro and stated that the country needs to maintain a trade surplus of $9.0 billion. Last night, Bresser Pereira went to the Finance Ministry to talk with outgoing Minister Funaro, to have a look at the office where he will be working, and to work out details for this afternoon's ceremony. The new finance minister said he will pick his own team to work at the Finance Ministry. Bresser Pereira did not say anything about the way he will administer the country's economy. In an interview he granted to a Sao Paulo newspaper on Sunday, before he was appointed finance minister, Bresser Pereira said that the country needs to grow 3 percent this year, and maintain a trade balance of $9 billion. According to him, the only way to end the inertial inflation, which feeds on inflationary expectations and is now increasing at the monthly rate of 15 percent, is to apply a new shock to the economy. On this point, he agrees with Minister Funaro, who favors their current rates for 120 days. Bresser Pereira, however, disagrees with Funaro by noting the need to draw an economic plan that follows the lines recommended by the IMF, setting monthly and quarterly targets. However, the thinking of the new finance minister will only be known today when he takes over the management of the country's economy.

Interviewed on Economic Solutions

PY291919 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 26 Apr 87 p 53

[Interview with Luiz Carlos Bresser Pereira by Olivier Udry Cafardo on 24 April, no place given -- live or recorded]

[Text] [Reporter] Does Brazil now need a "heroic solution" for its economic problems?

[Bresser] I already used the expression "heroic solution" to refer to a price and salary freeze even before the Cruzado Plan was implemented. The only way to stop a monthly inflation of 15 percent is by applying a shock to the economy, and this can be done several ways. However, this is not a priority. We still have to coexist with inflation for some time; we have to outline a solution to our external problem; we have to establish an internal equilibrium between supply and demand. We need to figure out what will be a reasonable rate of growth for this year, a reasonable trade surplus, and how to reduce the public deficit. Only after this can we think of ending the inertial inflation which feeds on inflationary factors. In the meantime, we must adopt measures to make the implementation of a new shock easier.

[Reporter] What is the stabilization plan, and what measures do you propose?

[Bresser] In 1986, the high inflation was caused by excessive demand and unbalanced prices. To fix this we need a plan very much like the one recommended by the IMF, with monthly and quarterly targets. The great difference between the plan we propose and the plan the IMF recommends is that the trade-balance surplus target can only be set after the growth rate target is set. I believe this should be set at 3 percent. Last year our economy grew too fast. We now need to slow down our economic growth so we can recover a trade-balance surplus of about $9 billion. This surplus would help to pay about 50 percent of the interest on medium-term loans from the private banks. I believe the bankers consider this surplus to be reasonable because they want a guarantee, which at this time does not exist, that the country will generate those $9.0 billion. The plan which the Finance Minister [Funaro] presented to the PMDB is not enough to provide that guarantee. Brazil could generate a trade-balance surplus of $5 or $6 billion, but this would not be enough to pay for the imports, and the crisis would then be complete. We could make an adjustment through a small maxidevaluation [as published] of our currency, keeping two objectives in sight: a 3 percent economic growth and $9.0 billion trade-balance surplus.

This is not a question of giving in to the demands of our creditors, but of presenting a plan that is reasonable for us and for them. We will never negotiate our economic policy with our creditors. An attitude of subordination or confrontation does not make sense. This alternative is false.

[Reporter] Is Brazil heading toward a recession?

[Bresser] The information is vague and contradictory; there are some indications that we are heading toward a recession, while others suggest that we are not. The measures to be internally adopted must be consistent with ensuring a 3 percent economic growth and a $9.0 billion trade-balance surplus. This will avert both recession and excessive economic growth. The last government package was intended to stimulate the economy in view of an expected recession. [paragraph continues]

I am specifically referring to credits granted to the states and, in a lesser degree, to credits granted to farmers. I believe that the objective, over the medium term, should be to grow at a yearly rate of 6 percent, and this is something Brazil must not negotiate. In this way we will be able to pay for our imports and pay a reasonable portion of interests to the private banks. The way I understand it, we should not pay anything to the official organizations. The news that the Japanese Government will grant new resources is very good and is in line with the way I understand it. The official organizations have the obligation to do this. Meanwhile, we have to pass through a transition, growing less, until we reach an equilibrium.

[Reporter] In what direction is the economic policy going now?

[Bresser] The picture is confusing. Up until a month ago, the need to slow down the economy was being spoken of. Now, measures have been adopted to speed it up. This seems to me a strange decision, because there are no indications those measures are necessary. We have the problem of inflation, which has gained inertia again. We need to understand how it jumped from 2 percent to 15 percent per month. This is partly caused by excess of demand, but this does not explain the whole problem.

[Reporter] And inflation jumped again just when demand began to cool off ...

[Bresser] The reason for the jump in the inflation rate was a combination of an excess of demand and unbalanced prices. Some prices were already out of line at the time of the implementation of the Cruzado Plan, and they went even further out of line after that. What has happened since December is a realignment of relative prices.

[Reporter] And salaries?

[Bresser] Salaries were responsible for the excess of demand last year but no one can explain why they made inflation increase from 2 to 15 percent. Now that relative prices have beeen realigned, inflation has stabilized at around 15 percent per month. This is inertial inflation, a component which has again become predominant, although it is not the only factor. This, however, is the only component in the model used by economists. Therefore, a solution like the Cruzado Plan or the plans devised by Joao Sayad, Francisco, Lopes, Persio Arida and Andre Lara Resende should be found. It is not possible to put an end to inflation through monetary and fiscal policies. We must first stabilize inflation and find an equilibrium for the balance of payments. These are the two basic objectives. In fact, the right thing to do is to combine three plans: long range growth, stabilization of inflation, and administrative control of inflation. This is the new heroic solution. Reasonably balance prices are the basic condition for the administrative control of inflation. Anything that can be done to secure that balance. A maxidevaluation could be a part of the process of readjustment of relative prices, a readjustment that should be made as frequently as possible. With a monthly inflation of 15 percent, the readjustments should be made every month for relative prices, and include a review of salaries. This correction could be made either by the average or the peak of inflation. This is the only alternative that could replace the escalator clause, without increasing real salaries. The average of the last 3 months inflation is more than sufficient for that purpose.

[Reporter] What is your opinion about the package released last week?

[Bresser] In fact, the measures were correct. But the situation at the state banks is in such disarray that it has to be straightened out. The only way to do this is by putting the state banks under an administrative council completely independent from the state government. Until this happens those governments will continue to disrupt the economy at election time. The package will have a marginal effect. I am not against the control over the banks for the interest they pay to depositors and the interest they charge to borrowers, because the banks can now set that spread [preceding word given in English] by agreements among themselves, since there is not much competition. At times of high inflation, the banks make large profits and the government has the obligation to restrict their excessive gains. When this occurs, the interest rate depends on inflation, not the other way around as many people wrongly believe. This was confirmed when Fernao Bracher left the Central Bank. The interest rates remained high. The interest rate also depends on the current supply and demand of money. I am not in favor of a rigid monetary policy, but of a rigid fiscal policy. It is essential to preserve the level of liquidity of the economy. Of course we need to cut the public deficit, but the domestic interest rate cannot be too low if we are to prevent the flight of capital. In the short term, a rigid fiscal policy means cutting expenditures. Then, a tax reform is necessary to improve the distribution of resources to the states, municipalities, and the various income brackets. Regardless of who may get hurt, this is of utmost importance at this time.

[Reporter] Is a ministerial reform necessary to implement the plan you propose?

[Bresser] Forget about it. [preceding sentence in English]

RIO MILITARY POLICE EXPRESS GRIEVANCE; ELEVEN ARRESTED

PY230341 Rio de Janeiro Rede Globo Television in Portuguese 2255 GMT 22 Apr 87

[Text] A crisis is affecting the Rio de Janeiro military police. Soldiers from different battalions are complaining about bad working conditions. Eleven soldiers have been arrested so far.

Governor Moreira Franco today admitted the existence of problems within the military police and promised to solve them. The crisis in Rio de Janeiro began 3 days ago when soldiers of the 16th battalion denounced bad working conditions and refused to line up in formation for duty. The following day the dissatisfaction spread to other garrisons. Policemen from the 13th Battalion have complained about unsanitary conditions and the shortage of living quarters. They have also denounced severe punishments by their commanders.

Today the situation remained very tense, because early this morning, several policemen were arrested in an effort to punish those responsible for the denunications.

The soldiers were watched by their superiors all day, and only managed to report on what was happening inside by writing notes denouncing excess work and requesting the support of the press.

The exact number of policemen being interrogated is being kept secret by the military police command. According to reports given to journalists, the number is between 70 and 80 soldiers. Some of them might even be under arrest.

Rio de Janeiro military police secretary, Colonel Manuel Emigdio dos Santos Filho, has already said those responsible will be punished and might even be expelled from the unit. Rio de Janeiro Governor Moreira Franco admits the existence of problems within the military police.

[Begin Moreira Franco recording] There are units of the Rio de Janeiro military police working under very poor conditions. But we are going to solve these problems with a reequipment and modernization program. Today I am going to sign a decree creating a program to modernize the military and civilian police. [end recording]

The decree signed by Governor Moreira Franco provides for the investment of 200 million cruzados to reequip and modernize the civilian and military police of Rio de Janeiro. New cars, weapons, and beds will be purchased.

10 To Be Dismissed

PY271912 Rio de Janeiro O GLOBO in Portuguese 24 Apr 87 p 12

[Excerpts] After 30 days held under arrest and incommunicado, 10 soldiers from the 13th Military Police Battalion (Praca Tiradentes), who participated in a movement for better working conditions and who have already been tried by the Disciplinary Regulation Council (CRD), will be dismissed from the battalion. This was announced by Military Police Secretary Colonel Manoel Elysio dos Santos Filho.

Internal Bulletin No 021, distributed yesterday in the 13th Military Police Battalion, states: "Because of the anarchy and disorder caused by these policemen, they were submitted to the CRD, held under arrest for 30 days, and will be dismissed from the battalion. Of the 10 soldiers who are under arrest in the 12th Military Police Battalion (Niteroi), two are from the 1st Company and eight from the 2nd Company of the 13th Military Police Battalion. [passage omitted] [no closing quotes as published]

Investigations into cases of indiscipline are continuing at the 16th Military Police Battalion (Olaria), where the first protest movement was staged last Monday. According to military policy sources, 35 soldiers might be dismissed from the military police for insubordination. [passage omitted]

JOINT ANTIDRUG PROGRAM TO BEGIN WITH BOLIVIA

PY250239 Madrid EFE in Spanish 1828 GMT 24 Apr 87

[By Adalid Cabrera Lemuz]

[Text] Rio de Janeiro, 24 Apr (EFE) -- Bolivian Senator Daniel Cabezas told EFE today that Bolivia and Brazil have decided to declare war on the bands of drug traffickers operating in the two countries.

To that end, the two countries have decided to coordinate an all-out war on drug traffickers through drastic laws and rigorous repression systems, the Bolivian senator added.

Senator Cabezas is a member of a Bolivian congressional commission touring Paraguay, Brazil, Argentina, and Peru to coordinate a joint operation against drug trafficking which has been increased in those countries by criminal groups who intend to take economic and political power.

The congressional commission from Bolivia, the main cocaine producer in the world, met in Brasilia with Brazilian Justice Minister Paulo Brossard to coordinate actions to fight these bands which are active in border zones.

Cabezas reported that Brazil and Bolivia have formed a joint commission made up of heads of antidrug trafficking agencies, lawyers, educators, and physicians. This joint commission will prepare agreements and raise funds for the effective war on drug traffickers.

The Bolivian politician, who is a senator for the social-democratic Movement of the Revolutionary Left (MIR), said Brazil and Bolivia will create an economic fund to defray antidrug trafficking programs, seeking credits abroad and raising resources by the expropriation and auction of property and vehicles seized from drug traffickers who are being prosecuted.

Cabezas added that in December, the Bolivian Congress will sponsor in La Paz a meeting of Latin American congressmen to exchange ideas for the preparation of a regional legal instrument against drug trafficking, because "current laws, in many cases, favor the operation of those groups."

He noted the need for a law to facilitate the extradition of drug traffickers so they can be brought to trial in their native countries, as well as for the creation of a Latin American antidrug police force.

The Deputy Director of the Federal Drug Control Council (CONFEN) of Brazil, Antonio Carlos de Moraes, said international drug trafficking has expanded into Brazilian territory, coming from Bolivia, Colombia, and Peru, border countries which are large world producers of cocaine.

Moraes added that the bands operating in those three Andean countries are expanding their activities into Brazil, where the sale of chemical products to process cocaine are made openly and air travel to the United States and Europe is easy.

The Bolivian congressional commission will end its visit to Brazil on Saturday, 25 April, and return to Bolivia. This commission will then travel to Argentina and Peru to warn the authorities of those countries about the increase of drug trafficking operations in the region.

The Bolivian congressmen, who are headed by Senate Vice President Juan Lucio Grandchandt, said that to the efforts of the producer countries must be added the determination of the consumer countries, particularly the United States, to control the demand for drugs by their population.

They added that both the producer and consumer countries must close ranks to confront the economic power of the drug traffickers, who annually move some $400 million, with which they foment corruption, crime, and undermine the mental health of the population.

DEPUTY FOREIGN MINISTER, ODEPLAN DIRECTOR APPOINTED

PY240018 Santiago Domestic Service in Spanish 2300 GMT 23 Apr 87

[Text] The president of the Republic has decided to appoint Brigadier General Francisco Ramirez Migliassi as deputy foreign minister and economist Sergio Melnick as National Planning Office [ODEPLAN] director. This information was supplied by the Government Social Communications Agency [DINACOS]. The appointees have been invited to attend a Cabinet meeting scheduled for tomorrow, Friday, at 0930. The DINACOS communique concludes by stating that Lieutenant General Sergio Covarrubias Sanhueza will soon occupy a post abroad, which will be assigned to him by the president of the Republic.

Ramirez Assumes Office

PY281416 Santiago Domestic Service in Spanish 1030 GMT 28 Apr 87

[Excerpt] New Chilean Deputy Foreign Minister Brigadier General Francisco Ramirez Migliassi has officially assumed office. He replaces Lieutenant General Sergio Covarrubias who has been designated acting ambassador to the United Nations. Foreign Minister Jaime del Valle presided over the ceremony held at the Foreign Ministry's Red Hall.

NATIONAL RENEWAL LEADER DENOUNCES PCCH, MDP

PY240240 Santiago Domestic Service in Spanish 2300 GMT 23 Apr 87

[Text] National Renewal Party leader Andres Chadwick has said the Communist Party of Chile [PCCH] and the Popular Democratic Movement [MDP] will never give up violent methods because these methods are rooted in Marxism-Leninism.

Chadwick pointed out that those who think the PCCH will give up violence are naive. The PCCH may give up violence for a while in pursuance of a strategy, but it will never give up totalitarianism, the very essence of Marxism.

Concerning the coalitions between the PCCH and the Christian Democrats, Chadwick stated that the Christian Democrats have failed to penetrate or understand the aspects forcing the PCCH to remain estranged from democratic activities.

Regarding a possible mediation between the government and the democratic sectors, Chadwick pointed out that such a mediation should basically change the political behavior of the representatives of each movement.

Chadwick explained that unless this mediation results in concrete actions, outlining a political timetable like the one outlined by the National Accord 2 and 1/2 years ago, for example, the mediation will be doomed.

Chadwick also referred to the reception given by several sectors in the country to the pope during his recent tour through Chile. The pope's visit has been extraordinarily encouraging because of the content of his message and the way in which he conveyed his messages to each one of us, Chadwick concluded.

MIR SPOKESMAN ON SPLIT, PASCAL ALLENDE LEADERSHIP

PY280232 Santiago EL MERCURIO in Spanish 23 Apr 87 pp C1, 4

[Text] Movement of the Revolutionary Left [MIR] spokesman Jecar Neghme yesterday admitted the MIR had suffered a split during its 4th congress. Neghme confirmed his post as MDP [Popular Democratic Movement] councilor and stated that [MIR Secretary General in exile Andres] Pascal Allende is not a member of the MIR Executive Board.

Neghme, who reportedly is involved with the sector opposing the leadership of Pascal Allende, stated that the legitimate MIR Executive Board is the National Directorate [Direccion Nacional], which is in Chile, an denied there is any leadership abroad.

Thus, the MDP councilor responded to statements by the so-called "MIR national secretariat," an organization representing the "militarized" faction, which has stated that Neghme is not an active MIR member, and that the MIR has not appointed him to represent it anywhere.

Neghme stated: "In fact, during the 4th congress, great differences have been raised concerning the opposition's unity and how the people are being organized to confront the dictatorship."

Neghme confirmed that these disagreements will lead one sector of the MIR to separate from the congress, which began on 15 April. He added that this sector is involved in the "national secretariat."

"This is a group acting outside the MIR Charter," the MDP councilor pointed out.

Neghme denied the existence of a self-styled "MIR-renewal" group which, according to leaders supporting Pascal Allende, has separated from the MIR. He emphatically stated that he is still the "spokesman of the MIR founded by Miguel Henriquez."

Asked about Pascal Allende, Neghme said only that Pascal Allende is abroad and he has no connection with the party's internal leadership. "The MIR does not have any leadership abroad," Neghme stressed.

The MIR spokesman also noted that [MIR leader] Father Rafael Maroto will return in the next few days from Canada, where he went to recover from a bronchial-pulmonary disease he suffered during his long imprisonment. Maroto has relatives in Canada.

In a letter to an opposition weekly, the MIR NATIONAL SECRETARIAT, which endorses the line pursued by Pascal Allende, states that Neghme is repeating the proposal of a group that has separated from the MIR, the MIR-Renewal group, which represents an attempt to revise the party's revolutionary line."

"We are now trying to promote an armed popular uprising and wage a popular struggle," the MIR NATIONAL SECRETARIAT states, adding that its goal is to overthrow the government "and establish a democratic, popular, and revolutionary government that will pave the way to a thorough transformation of the economic and social system in Chile.

The "official" MIR sector refuses to join the criticism of the militarization of politics because such a criticism "seeks to press the people to abandon the necessary task of building their own armed power."

TWO BOMBS EXPLODE IN SANTIAGO; NO ONE INJURED

PY251850 Santiago Domestic Service in Spanish 1700 GMT 25 Apr 87

[Text] Two bombs exploded in Santiago recently. The first explosion took place when two unidentified individuals threw a bomb at the house of the president of the Cerronavia Neighborhood Unit [Unidad vecinal] No 11. Carabineros reported no one was injured. Another attack took place in Lo Prado district, where unidentified individuals destroyed the fence of the Blanqueado slaughterhouse with an explosive.

Regarding the first attack, Abigail Espinoza Vega, president of Cerronavia neighborhood unit No 11, reported that two young men arrived at her house shooting into the air and forced her family to leave the house. Since the family did not comply, the criminals threw a grenade into the yard. The resulting blast damaged a wooden wall, the zinc roof, the fluorescent lights, and the windows. No one was injured.

The second attack took place at 1278 Valdovinos Street in Lo Prado district where unidentified criminals threw an explosive at the fence of the Blanqueado slaughterhouse. No one was injured here.

BRIEFS

INTERNATIONAL RESERVES DECREASE -- The Central Bank yesterday reported that Chilean international reserves fell by $50 million during February. In January they amounted to $1,718,800,000, while in February they only reached $1,668,400,000. [Summary] [Santiago EL MERCURIO in Spanish 9 Apr 87 p B 14 PY]

TRADE INCREASED WITH ARGENTINA -- Santiago, 10 Apr (AFP) -- The Bilateral Integration Committee has reported that, in 1986, trade between Argentina and Chile, which amounted to $238.1 million, increased by 50 percent over that of 1985. [Summary] [Paris AFP in Spanish 0617 GMT 11 Apr 87 PY]

COURT CONFIRMS RELEASE OF OCHOA VASQUEZ

PA300409 Bogota Emisoras CARACOL Network in Spanish 1215 GMT 29 Apr 87

[Text] The Superior Customs Court has confirmed businessman Jorge Luis Ochoa Vasquez's release, which had been granted by a judge and gave rise to a wave of protests throughout the country.

The United States had requested Ochoa's extradition for his alleged involvement in drug trafficking. However, Ochoa had to face a trial for smuggling fighting bulls into the country, which prevented him from being extradited from Spain, where he was under arrest for 14 months.

MEXICAN FISHING SHIP SEIZED OFF PACIFIC COAST

PA300041 Bogota Inravision Television Cadena 1 in Spanish 1730 GMT 28 Apr 87

[Report by Mario Arboleda]

[Text] A large modern ship bearing the Mexican flag has been seized off our Pacific coast while it was fishing for tuna. Due to the lack of surveilliance on the Colombian coastline, foreign ships come in and carry off our fishing resources. The seizure of this Mexican ship close to the Panamanian border is an indication of how ships carry off marine species, many of which are on the verge of extinction.

The ship was seized by the Navy patrol ship Sebastian de Belal Calzar. The Mexican ship is so sophisticated that it has a heliport, radar to detect fishing banks, helicopters, and speedboats, [lanchas voladoras]. It has a capacity of 1,150 tons. When seized, it had collected 200 tons of tuna from our Colombian waters.

Captain Miguel Antonio Caro, commander of the Pacific naval base, stated that 25 crew members, including the captain of the ship, are being detained at the Buenaventura port captain's office.

[Begin Caro recording] This ship was seized as a result of one of the operations we are carrying out in our exclusive economic zone. This is quite a big ship, with a displacement of some 1,100 tons. It also has a helicopter to find the tuna shoals that are usually in Colombian waters at this time of year. [end recording]

This type of ship generally fishes for shrimp or crayfish. These resources are becoming extinct because of irresponsible multinational companies, which invade our territory with deep-draft ships that have the latest fishing equipment, including electronic [as heard] nets, a very dangerous type of net that catches even newborn fish.

Despite its proven abundance of marine species, especially with its rich shrimp banks in the southern Pacific, Colombia does not have a clear policy to defend its resources and stop these huge pirate ships from catching tons of fish to be taken abroad.

BANK, NEWSPAPER, SENATOR'S OFFICES BOMBED

PY291417 Paris AFP in Spanish 0508 GMT 29 Apr 87

[Text] Lima, 28 Apr (AFP) — Police have reported that several subversive commandos simultaneously bombed here tonight the daily EXPRESO, the offices of former Prime Minister Manuel Ulloa, and bank offices. The attacks caused considerable property damage, but only two persons were injured.

The subversives hurled three bombs at the distribution offices of the newspaper EXPRESO. The bombs were thrown from a moving automobile. Another terrorist commando hurled a homemade bomb at the private offices of Senator Manuel Ulloa, main shareholder of EXPRESO.

At San Martin Park downtown, three terrorists set off a bomb, made up of five dynamite sticks, at the Amazon bank office, seriously injuring a guard, Ernesteo Coqui and pedestrian Cesar Teran. Both were hospitalized.

Three other bank offices located throughout Lima have also been the object of bombings; however, no damage was reported.

LABOR MINISTRY DECLARES OIL WORKERS STRIKE ILLEGAL

PY291452 Lima Panamericana Television Network in Spanish 0240 GMT 29 Apr 87

[Excerpts] The Labor Ministry tonight confirmed its resolution declaring illegal the general and indefinite strike declared by the workers of Petroperu [State Petroleum Agency]. The ministry has notified the workers that they must immediately return to work, or face charges of a serious infraction. The strike started on 20 April at which time the Labor Ministry stated it considered the 72-hour deadline given by the union inappropriate, because it lacked legal basis.

A few hours ago, the union leadership announced a march to Government House in order to submit a document to President Alan Garcia to seek a solution to their problems. [passage omitted]

The strike of the Petroperu workers has now lasted for a week, and the company's activities are being carried out more or less normally, especially the supply of fuels, which, according to reliable company officials, is fully guaranteed. Here is a report:

[Begin unidentified reporter recording] The oil workers strike is now 1 week old, but the supply of fuels to the gas stations is almost normal, with some delays in the supply of gasoline. However, up to now these delays have not affected the flow of traffic.

On urging Petroperu workers to return to work, the labor minister ratified the salary increase of 450 intis, and he gave the workers a 3-day deadline to return to work. After 3 days Petroperu will be free to fire striking workers and hire replacements. [end recording]

POLICE PREPARE TO CAPTURE GUERRILLA LEADER

PY280235 Paris AFP in Spanish 2303 GMT 27 Apr 87

[Text] Lima, 27 Apr (AFP) -- More than 500 policemen and an as yet undetermined number of military personnel are ready to start a major dragnet operation in the mountain range of northern Peru to capture Julio Cesar Mezzich, who is regarded as the second man of the Maoist guerrilla organization Shining Path.

Reports on the concentration of these forces in Trujillo, the capital of Libertad Department, 550 km north of Lima, were released in Lima by police sources, along with a report that members of the Antiterrorist Directorate's leadership had gone to Trujillo.

Terrorist actions have intensified in recent weeks in northern Peru, especially in the Andean provinces of Libertad, Santiago de Chuco, Otuzco, and Sanchez Carrion, as well as in the neighboring province of Cajabamba, Cajamarca Department. Approximately 300 policemen have been dispatched from Lima to join 200 policemen who are already in Trujillo to participate in the operation.

The police have received reports that Mezzich has been leading terrorist activities in Otuzco. Mezzich, the leader of an ultraleftist group, joined the Abimael Guzman-led Shining Path when it started its guerrilla warfare in 1980. Since 1980 Mezzich has been regarded as a lieutenant of Guzman, who is known as President Gonzalo by his comrades, and who is the military leader of the insurrection.

AFP REPORTS ON SHINING PATH OPERATIONS, MURDERS

PY271930 Paris AFP in Spanish 0053 GMT 27 Apr 87

[Text] Lima, Apr (AFP) -- Police today reported that a column of the Maoist Shining Path group shot dead the mayor of the remote district of Shirac, Cajamarca, 850 km northeast of Lima, after burning all of the municipality's documents.

The murder, which was committed by approximately 20 terrorists armed with submachineguns who overran Shirac, 45 km south of Cajamarca, was carried out on 24 April. The Cajamarca departmental authorities were only informed today.

The murder of Mayor Segundo Paredes Tirado, 48, a member of the governing APRA [American Popular Revolutionary Alliance] Party, is to be added to the list of Shining Path murders. During the past few days this group has escalated its actions in several of the country's regions, despite the harsh defeats that have been inflicted on the guerrillas, which include numerous dead, many arrests, and the breaking up of cells, according to Peruvian authorities.

Dr Luis Geldres, APRA's provincial secretary in Santiago de Chuco, Libertad Department, was shot dead on 25 April by a murder squad.

Demetrio Tafur, the president of the San Martin Department Development Corporation and an APRA member, was seriously wounded by bullets of another guerrilla group on Tarapoto. In Huancayo, 320 km southeast of here, a powerful dynamite charge yesterday destroyed the house of Juan Tutuy, a former leftist mayor, wounding one of his sons.

ABADIA DENIES RESIGNATION OF AMBASSADOR TO U.S.

PA281517 Panama City LA PRENSA in Spanish 28 Apr 87 p 1

[By Lisette Carrasco]

[Text] Panamanian Foreign Minister Dr Jorge Abadia Arias yesterday told LA PRENSA that to date his office has not received a resignation from Panamanian Ambassador in Washington Kaiser D. Bazan.

Foreign Minister Abadia Arias' statement comes in the wake of comments yesterday morning that Ambassador Bazan, who is a member of the Republican Party, had resigned his high diplomatic post. It was rumored that the likely replacements were former Foreign Ministers Juan Antonio Tack or Aquilino Boyd. The latter is said to have a good relationship with senior officials of the Reagan administration.

Foreign Minister Abadia Arias reiterated that the presence of Ambassador Bazan in our country was due to a "consultation" because of a resolution presented by a group of senators rejecting President Ronald Reagan's assertion that Panama has cooperated in the fight against drug trafficking.

Minister Abadia Arias stated he has not received any official information about the "alleged" resignation of Kaiser D. Bazan.

Ambassador To Resign 30 May

PA291419 Panama City STAR & HERALD in English 29 Apr 87 p 1

[From the "Here and There" column]

[Text] Panama's Ambassador to Washington Dominador (Kaiser) Bazan has resigned his post effective May 30, and will return to his private activities, an official source said yesterday. Mentioned as candidates to succeed Bazan are former RP Ambassador to Spain Oyden Ortega, former RP Ambassador to Washington Aquilino Boyd and RP envoy to the United Nations Roberto Leyton.

SUITABILITY OF DRUG TRAFFICKING LAW DISCUSSED

PA292022 Panama City Circuito RPC Television in Spanish 1730 GMT 28 Apr 87

[Text] The new law on the repression and prevention of drug trafficking considers all aspects to prevent Panama's banking center from laundering drug trafficking dollars. Rogelio Cruz [not further identified] said the following:

[Begin recording] [Cruz] Firstly, I thought that this was a Panamanian law, not a U.S. law. I believe that the Americans should concern themselves that U.S. laws be obeyed and leave Panamanians to concern ourselves that our laws are complied with. Secondly, the attorney general is the responsible official according to the Constitution to ensure Panamanian laws are complied with.

[Reporter] It has also been said that this law does not meet all domestic requirements. Do you believe changes are needed and that there are loopholes?

[Cruz] This law was discussed in great detail. I believe that apart from any objections that we still may have, this has nothing to do with the law's text. I believe that this law is perfectly workable, and Panamanian authorities are responsible for this.

[Reporter] Are we then saying that there are suitable controls to prevent money laundering?

[Cruz] I have always said that these controls have existed in Panama for many years. With this 1986 law it is possible that these controls have been fine-tuned, so these controls have become more effective in Panama. [end recording]

CODEPANICE 'OPEN LETTER' TO IPU LEGISLATORS

PA262340 Panama City LA ESTRELLA DE PANAMA in Spanish 26 Apr 87 p C-4

["Open letter to legislators, who will represent the Panamanian Legislative Assembly at the 77th IPU Conference in Managua, Nicaragua, from 27 April to 2 May," from the Committee for Democracy in Panama, Nicaragua and Central America (CODEPANICE); datelined Panama City, April 1987 -- words between slantlines published in boldface]

[Text] Honorable Legislators:

Luis Gomez (Democratic Revolutionary Party -- PRD); Ovidio Diaz (PRD); Dr Alfredo Oranges (PRD); Guillermo Cochez (Christian Democratic); Ernesto Cordoba (Republican Party); Dr Arturo Vallarino (Labor Party): Vianor Serracin (Authentic Panamenist Party); Jaime R. Fernandez (Nationalist Liberal Republican Movement)

Honorable Legislators:

You who represent a free people, and have been freely elected by that same people through a secret and direct vote;

You who can travel without restrictions speak and act freely, and struggle for your country to have a more just and institutionalized democracy; you who do not suffer the consequences of a regime that divides the family, persecutes your children, incarcerates and tortures them just because they defend their own principles; to you who watch your children grow up without the agony of an unsure and demagogic tomorrow; to you, constitutional representatives of the Panamanian people's feelings, we ask; that on your trip to Managua, capital of communist Nicaragua, do not see only what the Sandinist government wants you to see. We ask you not to let your political, economic, and personal interests stand between the truth and reality of a suffering people.

We ask that you not be an instrument of those who try to deceive international public opinion. To you whom we gave our vote and confidence, we ask that you be receptive to all the Sandinist suggestions and solutions, but also be receptive to the /closing of the LA PRENSA newspaper/, which was hushed more than 1 year ago; to the /total control of television and most radio stations;/ and to the persecution and humiliation to which the /Nicaraguan Catholic Church/ has been subjected.

We ask as simple men, as Panamanian citizens, that you try to empathize with the pain of more than /10,000 political prisoners/, who barely are able to exist in the dungeons of a regime that brutally drowns opinions on imposing an unpopular dogma. We pray that you see (as there are always those who see only what they want to see) the absurd militarization in which the government involves the whole population; that you evaluate the dangers, even to our country and its canal.

We ask that you not be blind to the shameful genocide with which the Sandinists exterminate the /Miskito Indian/ community. Ask to be taken to the concentration camps where this heroic and rebel Miskito people are murdered.

We ask that you do not accept the Sandinist concept that those who die in the mountains are bandits and Somozists. Listen also to those who call themselves patriots seeking liberty. Do not only see the $100 million U.S. aid; see and analyze the more than /$3 billion that the USSR and Cuba has delivered in weapons and money/ to the Nicaraguan Government, without asking for agreement from any people's congress.

To you who represent us, we ask that you listen and see, and allow us to remind you of a phrase by French writer A. Saint Exupery:/"It is only with the heart that one can see rightly; what is essential is invisible to the eye."/

[signed] CODEPANICE

Panama City, April 1987

DELVALLE TO VISIT ISRAEL, ITALY IN MAY

PA291517 Panama City LA ESTRELLA DE PANAMA in Spanish 28 Apr 87 pp 1, A-10

["Official Bulletin" issued by the Press Secretariat of the Presidency; date not given]

[Text] President Eric Arturo Delvalle will begin an official trip to Israel, the Holy See, and the Republic of Malta in mid-May.

President Delvalle's international tour is in response to official invitations he recently received.

The presidential visit to Israel is in response to an official invitation from President Hayim Herzog and Prime Minister Yitzhaq Shamir. The visit will strengthen the friendly and cordial relations between Israel and Panama.

President Delvalle will also visit Italy and the Holy See. While in Italy, he will meet His Eminence Prince Fra Angelo De Mojana Di Cologna, and during his visit to the Holy See he will pay a solemn visit to Pope John Paul II.

During his international trip, President Delvalle will be accompanied by a small official retinue headed by Foreign Minister Jorge Abadia Arias.

BELIZE

BELIZE, GUATEMALA TO MEET ON TERRITORIAL DISPUTE

FL242053 Bridgetown CANA in English 2230 GMT 23 Apr 87

[Text] Belmopan, Belize, April 23, CANA -- Belize and Guatemala will meet in the United States next week for preliminary ministerial talks on their long-standing territorial dispute, it has been officially ananounced here.

The Belize Government announced that its Foreign Minister Dean Barrow would meet with his Guatemalan counterpart Mario Quinonez next April 29 in Miami, Florida.

The purpose of this preliminary meeting is to receive new proposals from Guatemala in relation to the Guatemalan claim, a statement from the Prime Minister's office here said.

The Miami talks represent only a first step in what is hoped will be a peaceful and honorable settlement to the problem with Guatemala, the statement added.

Guatemala is claiming much of neighbouring Belize.

A bi-partisan committee set up by the Belize Government to consider the Guatemalan claim will meet here tomorrow to prepare the groundwork for the Belize negotiating position at next weeks talks.

The committee will meet again to examine Guatemala's proposals when Foreign Minister Barrow returns to Belize.

The bi-partisan committee is chaired by Prime Minister Manuel Esquivel and includes his deputy Curl Thompson, Foreign Minister Barrow, Labour and Social Services Minister, Philip Goldson, opposition leader, Florencio Marin along with opposition senator and former external affairs minister, Vernon Courtenay.

Prime Minister Esquivel has said that any agreement reached with Guatemala on the territorial dispute will have to be ratified by the people of Belize in a referendum.

COSTA RICA

CONSTRUCTION SITE OF NEW U.S. EMBASSY BOMBED

PA281621 Panama City ACAN in Spanish 1602 GMT 28 Apr 87

[Text] San Jose, 28 Apr (ACAN-AFE) -- A homemade bomb was thrown at the site of the new U.S. Embassy building under construction in this city, a U.S. diplomatic source reported today. The bomb, a minor destructive power, did not cause damage or injuries, U.S. information spokesman Mark Korschik said. According to the spokesman, "the bomb was hurled (last night) from a moving vehicle" traveling toward the outskirts of the capital.

The U.S. Embassy building is in the earliest phases of construction. It is located in the Pavas neighborhood 10 km west of the capital.

Kirschik said the only damage resulting from the explosion was in a window frame. A usually crowded shopping center and a bus depot are located near the construction site, but no one saw the attack or who perpetrated it. The authorities have not given any explanations "so that the investigation will not be hindered."

PRESIDENT ARIAS RECEIVES U.S. ENVOY HABIB

PA282130 San Jose Radio Reloj in Spanish 0100 GMT 28 Apr 87

[Text] President of Costa Rica Oscar Arias Sanchez and Philip Habib, U.S. roving ambassador for Central America, have met for 2 hours. Habib arrived at the Presidency at 1400 as scheduled and was welcomed a few minutes later by President Arias Sanchez. Arias Sanchez had had a very busy morning with civic activities in the city of [name indistinct].

Newsmen approached Habib when he was leaving the president's office. They asked him all sorts of questions regarding the topics discussed. However, Ambassador Habib, speaking through his interpreter, said that this was a periodic visit, that it is his custom to visit the isthmus presidents to learn their (?viewpoints). [words indistinct] the purpose of my visits is to learn about the peace situation, learn new developments, and to become informed, Habib added. Circumstances change from 1 week to another, and this is what we must learn, he said. He was then asked what these changes were. Habib replied that although there are no major changes, there are changes, nonetheless. I would like to say that the president gave me a gracious welcome. Regrettably, I cannot give you the details of our talks, obviously, out of deference to the president, Habib said.

Moreover, President Arias was queried about his 2-hour meeting with President Reagan's special envoy. He said that through the talks he concluded that the United States greatly supports efforts to achieve peace in the region. There will not be any changes. Although he said that there were changes, we must understand that a long-standing great friendship exists between the two of us, as a result of the many months in which we have held very frank and truthful talks. Habib (?asked me) what I thought of the prospects for the Costa Rican proposal at the 25 June meeting in Esquipulas, Arias said.

President Arias Sanchez said that [words indistinct] I am mentally prepared because I am a democrat. I can accept many revisions. I will go to Esquipulas with [words indistinct] prepared to negotiate. However, everything depends on the degree of the revisions and changes. If there are deep changes, and the spirit of the proposal is distorted, then that can be viewed as a means to reject the proposal. Also, if substantial changes keep us from reaching an agreement, then we will have to decide to meet again. We may fall into the trap Contadora (?has). We could hold many more meetings that will [words indistinct] pragmatism, if need be. [Words indistinct] the Central American countries have not been able to reach an agreement. As for Nicaragua, we have not heard anything. Nicaraguans have not said what they do and do not agree with. I think that they are not showing their cards until the Esquipulas meeting. [Words indistinct] a strategy. [passage indistinct].

MADRIGAL ON MINISTERIAL MEETING IN ANTIGUA

PA250446 Panama City ACAN in Spanish 2031 GMT 24 Apr 87

[Text] Panama, 24 Apr (ACAN-EFE editorial office) -- Upon his return from the Central American ministerial meeting held in Guatemala, Costa Rican Foreign Minister Rodrigo Madrigal said today that Nicaragua "could boycott" the Costa Rican peace plan for Central America.

Madrigal Nieto told ACAN-EFE that Nicaragua did not attend the foreign ministers meeting that was unexpectedly held in Antigua, Guatemala on Thursday, because it turned down the invitation.

According to the Costa Rican foreign minister, the Sandinist attitude indicates that "they do not have much goodwill to work for the construction of a process of peace, reconciliation, and democratization."

The meeting in Guatemala served to review Costa Rican President Oscar Arias' peace plan and to discuss the recommendations made by the other area countries.

In addition to Madrigal Nieto and Guatemalan Foreign Minister Mario Quinonez Amezquita, the Honduran and Salvadoran Foreign Ministers Carlos Lopez Contreras and Ricardo Acevedo Peralta, respectively, also attended the meeting.

The Central American delegates reached a united position regarding the peace plan, which subsequently will be presented to Nicaragua.

The Guatemalan foreign minister said that this country "has agreed to accept the Arias plan as something to be discussed" and as a project that "should be adequately promoted" to support the Contadora Group process.

El Salvador and Honduras also agreed to discuss the Arias plan, although they pointed out that it has some "defects."

The Hondurans announced that among those "defects" they include the lack of definite control and verification systems and the fact that it does not take the internal opposition sectors in the various countries in conflict into account.

The Salvadoran Government, which stated that the program presented by the Costa Rican president is no different from the one presented by the Contadora Group, is said to have "a complete political plan" that is "simultaneous and multilateral and that includes verification, control, and a schedule."

In Guatemala, neither the Guatemalan foreign minister nor the Nicaraguan ambassador made comments on the reason for the absence of the Sandinist government representatives to this meeting that precedes. the presidential "summit" to take place in Esquipulas 25-26 June.

According to Madrigal Nieto, Nicaragua also rejected the visit of a Costa Rican delegation in charge of gathering recommendations for the Arias plan, although he said that Nicaragua agreed to attend the Esquipulas presidential summit where the project will be discussed.

The "Procedures To Establish a Firm and Lasting Peace in Central America," the title Oscar Arias gave his proposal, among other things suggests a cease-fire, the end of extraregional assistance to area rebels, and the organization of free elections.

ANNOUNCEMENT OF DELEGATION TO IPU MEETING

PA241930 San Jose Radio Reloj in Spanish 1200 GMT 24 Apr 87

[Text] Costa Rica will attend the 77th IPU meeting. A delegation has been appointed and will travel to Nicaragua where the meeting will be held. The delegation will defend the best interest of our country, said William Corrales Araya. He added that the Central American conflict issue has been included in the points for discussion. The Costa Rican delegation is made up of Alberto Fait, Carlos Luis Monge, William Corrales, Jose Antonio Lobo, Antonio Tacsan, Christian Tattenbach, and Jose Maria Borbon Arias.

ARIAS APPOINTS NEW AGRICULTURE MINISTER

PA251833 San Jose Radio Reloj in Spanish 0100 GMT 25 Apr 87

[Excerpt] Antonio Alvarez Desanti has been appointed new agriculture and livestock minister. Despite being one of the most conflict-ridden ministries in the current government, it will be up to the youngest member of the cabinet to figure out how to adopt his policies to achieve what others have not been able to accomplish in the programs for agricultural development.

Alvarez Desanti was executive president of the National Council for Production for 18 months. Previously he was executive president of Fertica [Central American Fertilizers, Inc.], where he also did a good job. Therefore, President Oscar Arias Sanchez appointed him to the highest post.

President Arias said he was confident that Alvarez Desanti would be an efficient official in his cabinet. President Arias said that despite being very young, Alvarez Desanti has the necessary experience to do the job, expecially because he is very familiar with the agricultural sector. President Arias said that the National Council for Production has always been a branch of the Agriculture and Livestock Ministry and this has kept Alvarez Desanti close to all the problems of agricultural activities.

ARIAS TOUR TO SEEK 'WORLD SUPPORT' FOR PEACE PLAN

PA300401 San Jose Radio Reloj in Spanish 1200 GMT 26 Apr 87

[Text] The deputy minister of the presidency [Luis Alberto Cordero] has said that President Oscar Arias will seek world support for his regional peace proposal during his forthcoming tour through Europe. The president's tour is of special importance for national interests, the deputy minister of the presidency added, and he feels it is therefore advisable to make public some of the aspects concerning the European tour.

The president feels there is an urgent need to achieve world support for his regional peace proposal that affects the future of all Central American peoples and thus all Costa Ricans who are seriously threatened in the political, social, and economic area, the deputy minister of the presidency added.

President Arias Sanchez' peace proposal is much more than just an action of regional altruism to defend the circumstantial values of Costa Ricans, whose practical experience is measured by a democracy that sets an example for the entire world. In addition to seeking support for his peace proposal, President Arias has appointed a commission that will accompany him on this trip and will guarantee the success of the effort in addition to contributing to the goals of economic, technical, and scientific support which are also part of his visit.

According to the officials in charge of organizing the tour, the total estimates of expenses will not be available until next week, Luis Alberto Cordero added. The estimates will be completed once the activities are confirmed by the European protocol officials, who are very strict. It has been confirmed that the various entities included in the presidential retinue will finance their own expenses, which will considerably help the budget of the presidency and of this ministry, the presidential official concluded.

EL SALVADOR

ARMED FORCES WARN AGAINST 1 MAY EVENTS

PA281924 Hamburg DPA in Spanish 0245 GMT 28 Apr 87

[Text] San Salvador, 27 Apr (DPA) -- The Salvadoran Army has warned the local inhabitants not to take part in the 1 May parades organized by labor unions.

An Army communique emphasized the FMLN "and its front organizations have been organizing increasingly violent parades, such as the one that took place 24 March," which was the commemoration of the seventh anniversary of Msgr Oscar A. Romero's assassination.

The communique added that "the calls issued by the FMLN and its front organizations, transmitted by clandestine radio station Venceremos, clearly show its evil intent to use popular organizations to its own ends."

The Army added that its intelligence services have detected "an interest in taking advantage in the 1 May festivities, to introduce arms and explosives into San Salvador and carry out terrorist attacks in the capital."

Meanwhile, the labor unions are continuing to call upon all labor organizations, cooperatives, and public and municipal employee associations to attend the parade that will march through the main city streets and conclude with a meeting in the downtown area.

Other organizations have requested that the government facilitate the marches instead of displaying a threatening and respressive attitude.

PROTEST HELD AT U.S. EMBASSY AGAINST AID

PA281455 Paris AFP in Spanish 0100 GMT 28 Apr 87

[Text] San Salvador, 27 Apr (AFP) -- More than 100 students and workers today demanded in front of the U.S. Embassy in San Salvador the withdrawal of the American Institute for Free Labor Development (AIFLD) and the AFL-CIO from El Salvador and a halt to this U.S. aid to this country.

The students from the University of El Salvador banged on the embassy gate, painted slogans on the walls, and burned an effigy of "Uncle Sam" while being observed by the policemen guarding the embassy.

The protest, which was organized by the Coordinating Board of Solidarity with Workers (CST), was staged without any significant violence.

Meanwhile, the National Union of Salvadoran Workers (UNTS) today called the various sectors of the country to a 1 May demonstration to mark International Labor Day.

The UNTS, which is formed by more than 100 peasant and labor organizations, has also scheduled marches for that day in the eastern Departments of San Miguel and Usulutan and in Santa Ana Department in western El Salvador.

Coprefa issued a communique warning the people not to heed the calls for 1 May activities issued by the guerrilla FMLN "and its front organizations," "which demonstrate its objective of using the people's organizations for its own ends."

Coprefa added that the Army intelligence services have confirmed that the guerrillas will use the celebration of Labor Day to "bring weapons and explosives into San Salvador and to carry out attacks."

Marco Tulio Lima, a member of the UNTS leadership, said that the Coprefa's warning "seeks to intimidate the working class so that it will not go out to the streets on 1 May to protest the high cost of living."

DUARTE DECLINES INVITATIONS TO SPEAK IN U.S.

PA281603 San Salvador Radio Cadena YSKL in Spanish 1200 GMT 28 Apr 87

[Text] Last night an official communique reported that Salvadoran President Jose Napoleon Duarte has declined invitations to be a guest speaker at functions organized in California and New Orleans. Duarte was invited to speak at the 41st World Council Affairs conference in northern California on the topic of the United States in Central America. However, news reports received in San Salvador indicated that hundreds of activitists of human rights organizations were organizing protest demonstrations in those areas Duarte was to visit.

It was also reported that in Pacific Groves civil authorities asked that Duarte's visit be suspended. The mayor feared that local police would not be able to handle the thousands of demonstrators who were expected to arrive during the Salvadoran president's speech.

UNIVERSITY SUPPLEMENT CRITICIZES U.S. PLANS

PA290406 San Salvador EL MUNDO (UNIVERSITARIO supplement) in Spanish 25 Apr 87 p 12

[Editorial]

[Text] In the context of the new interventionist strategy known as the "low-intensity war" -- a strategy that is based on the Vietnam experience and conceived by the brains in the Pentagon and that is presently being tried out in Central America at a terrible cost to all the countries of the continent -- the most subtle arms of war are being used for the main objective, which is "to win the hearts and minds of the civilian population": mininformation, ideological warfare directed by the CIA, psychological aggressions, economic and humanitarian aid ("United to Reconstruct"), cleansing regions through the forceful removal of the civilian population (the "Phoenix" operation), and neutralizing [the guerrillas'] social basis. This is why permanently maintained low-intensity war actions have been given a secondary level of importance -- not because they are enough to secure the general objective, but because in the end there is always the option of direct participation by U.S. troops. [sentence as published]

The effort to neutralize the social basis is now being combined with a repressive plan aimed at "beheading" popular organizations, labor unions, and other entities that have been actively expressing the unrest of the population concerning the burdensome economic situation we are enduring. We know that that plan includes aggressions on the university campus, threats against some university officials and workers, incursions by military elements on the campus, and, as is expected, the killing of students such as Rafael Eduardo Cuellar, shot to death in cold blood on the 14th of this month. Only 2 months ago the regime cynically claimed that "things have changed" in El Salvador. What has changed is the location of the peasant settlements, which because of "cleanup" operations, must move to other places. Another change is one being enjoyed by the "leaders" of the Christian Democracy: many properties and enterprises that provide juicy revenues. Everything is known and more will be known.

Not to be left behind, the extreme right has its own repressive plans. The attack on the radio station YSAX is an example. But the most typical one is the announcement of the creation of the self-styled Socialist-National Party. [sentence as published] This is an omen of increased fascist activities and of the use of intimidation practices to produce terror without involving those who have always utilized those methods. These methods make evident that when confronted with desperation and the will of the people to remain united and to protest, authoritarianism (an embryo of dictatorships) and bourgeois liberalism (a dummy of the oligarchy and servant of coups) end up looking alike in their conception of "democracy": repression and death, even if they do not get together, as it happens in the assembly.

In the wild year of 1980, it was believed that killing popular leaders would serve to scare the masses or to silence them forever. Only 7 years have gone by and things are worse than before. The creators of the macabre "Endless Cycle Plan" (Paddock, Fergusson, Weinberger) argued then that "to finish with the problems of El Salvador, it would be necessary for at least 3 million Salvadorans to die." That is: finish off the hungry people. The situation is not going to be altered by killing 1,000 or 5,000 labor or political leaders. [paragraph continues]

It will be altered with a change in the mentality of those who think about killing but who do not think about letting life, the masses' productive life, emerge in the country, or nation -- or whatever we may want to call this battlefield that is not the property of private enterprise. This change will produce satisfied stomachs, well-paid jobs, health services, housing, and many other human rights that are not mentioned in "democratization" speeches or in the media at the service of the Pentagon, the CIA, and their "allies" in their "backyards."

IPU DELEGATE ON SUPERPOWER 'INTERVENTION' IN AREA

PA291501 San Salvador Radio Cadena YSKL in Spanish 1730 GMT 28 Apr 87

[Special report by NOTISAL-SALPRESS news agency from Managua, Nicaragua -- recorded]

[Text] The topic of peace in Central America will be the leading issue today at the 77th IPU conference, which began yesterday in this capital. Parliamentarians from 83 countries will attempt to agree on a resolution that will serve as a guideline in the search for peace in Central America.

The debates will be based upon three bills presented by Spain, Panama, and Venezuela on the subject of peace under the heading "Parliaments' Contribution to the Goal of Peace in Central America." At their first session yesterday, the parliamentarians designated Commander Carlos Nunez Tellez, president of the Nicaraguan National Assembly, to preside over the plenum. Nine speakers addressed the Middle East issue and 68 speakers have signed up for today, according to the president of the conference, Commander Carlos Nunez, who described the event as very useful. Meanwhile, hundreds of mothers whose sons have been killed or maimed in the war held a march today that ended in the vicinity of the convention center where the IPU conference is being held. The mothers presented a document to the IPU Human Rights Commission, in which they condemned the violation of human rights by the United States and demanded peace on behalf of Nicaraguan women. The mothers walked through the main streets of Managua dressed in black and carrying photographs of the sons killed in action or kidnapped by the counterrevolutionary groups that operate from Honduran and Costa Rican territory.

NOTISAL-SALPRESS interviewed Dr Antonio Guevara Lacayo, president of the Legislative Assembly and president of the Salvadoran delegation to the important forum.

[Lacayo] Basically, I believe that there cannot be peace in Central America as long as the two superpowers are involved in the Central American region, and there cannot be peace if the governments of the region do not demonstrate willingness and political determination to solve the region's problems among themselves. Our countries must attempt -- to the extent possible -- to get everyone to leave Central America alone so that the Central Americans can solve their own problems through dialogue and political solutions, without having to resort to the use of force.

[Reporter] Do you believe the Salvadoran Government could resist the revolution without U.S. aid?

[Lacayo] I do not know what revolution you are referring to because in El Salvador we have carried out a democratic revolution and have done many things that governments that describe themselves as revolutionary have not done.

For example, we have carried out an agrarian reform that has favored the majority of Salvadoran peasants. We have nationalized foreign trade. We have nationalized the banking system. We are in the midst of a democratic and pluralistic process. I believe we have carried out an in-depth revolution changing the economic, political, and social structures of our fatherland. Therefore, we have a revolutionary government that respects freedom and we have a rebel group, unfortunately supported by some countries in Central America, whose only intention is to impose their political system through force and violence.

[Reporter] Do you believe there are objective bases for the development of [words indistinct]?

[Lacayo] Absolutely not. This is a geopolitical problem, and we are demanding that our self-determination be respected. In this regard no one can try to impose on the Salvadoran people, under the pretext of a revolution or a revolutionary thought, a political scheme that the people do not want and reject.

[Reporter] What can you tell us regarding the U.S. involvement in the Central American conflict, especially in El Salvador?

[Lacayo] I believe that not just the United States is involved in El Salvador. The other superpower is also involved, and we do not want either of the two superpowers or any Central American country to intervene in our problems. The Salvadorans want to make their own decisions.

[Reporter] Nevertheless, the Salvadoran Government has never presented proof of a Soviet intervention in the Salvadoran case.

[Lacayo] Some things are so obvious that they do not require proof. In other words, if you breathe you do not have to try to investigate or prove where the air is coming from. There are things so obvious that they do not require proof.

GUATEMALA

CEREZO ADDRESS TO NATION ON LABOR, BENEFITS

PA282230 Guatemala City Domestic Service in Spanish 0100 GMT 24 Apr 87

[Speech to the nation by President Vinicio Cerezo; date and place not given; broadcast in progress -- live or recorded]

[Text] ...a government of the people to try to benefit the majority of the Guatemalan people. The memorandum to the Guatemalans was addressed to all of you, and all government actions are aimed at always benefiting the majority of Guatemalans. There are always some priorities. First, we have to give more benefits to those who need them most. Second, we have to benefit those who do not have as many needs but still have employment problems and have to take care of their families and educate their children. Then we have to benefit those who are working and have salaries, because they have been affected by the increase in the cost of living and by the economic crisis. Then we have to benefit those who have always had many economic facilities, but who are needed because they can help all Guatemalans.

Another substantial aspect of the memorandum was to insist on something that is essential for building democracy: We are all necessary to build democracy, regardless of whether we are private businessmen or peasants; factory workers or managers; attorneys or doctors; military men, army men, government officials, or plain citizens. We all have an obligation, a task to accomplish, so all of us, working together, may benefit from a national reorganization.

This is the essence of the memorandum. You will recall I told you that regardless of how capable a president might be, regardless of how nice he might be, he alone cannot resolve any problem. Last year I was under the impression that everybody was passing problems to me as if they expected miracles from heaven. Those biblical days are over. Right now, to resolve the nation's problems, we all have to get together with the president of the Republic -- who was elected to coordinate national efforts, everybody's efforts, for everybody's benefit.

I must tell you again what I have already told you during a television program: I am very pleased to have received letters from all sectors of the country, not only from the organized sectors. I have received letters from individuals, and we will try to answer those letters individually. I have received letters from national and international organizations that have placed themselves at Guatemala's service, pointed out the Guatemalan people's spirit, and will push forward, something that I have also pointed out.

I have received copybooks from children. I have received letters from small school children who have stated their decision to support and be at the side of the president to continue building the democracy we want.

We have to face some problems, especially the problem of impatience. I have told you that building a nation is like planting a corn field. First we must prepare the soil; then we have to plant the seed; later we care for the little plant as it grows; and then after a few months -- with God's help and the rain -- we can see the fruit that we had been expecting.

What would you do if a peasant prepares the soil, plants the seed, and then when the little sprout appears, he gets impatient and starts kicking the plant? That peasant will never harvest the fruit he was expecting. Sometimes the people grow impatient. This time I want to request that you -- and I am sure you will understand why -- continue maintaining a positive attitude. I want to request this particularly of the leaders of popular and private enterprise organizations who sometimes grow impatient with the way the government functions. We are going step by step. We are doing things in an organized and well-planned fashion. Why? Because we do not want to have to go back, because we do not want to spend the people's money in useless works carried out hurriedly, and then waste that money, as has happened in the past.

You can remember enterprises, such as (Ceimusa) and other big enterprises, where much of the Guatemalan people's money that we need now was wasted.

We are going step by step. Allow me to recall some aspects of the memorandum. I said in the memorandum that a few days after receiving suggestions, we would be working on the details of the memorandum and that we would be presenting to you a more complete version.

We are going to do that. On 1 May 1987, in the presence of all the workers of Guatemala, we are going to send to labor organizations and to the Guatemalan people -- I am going to explain this on television -- the second memorandum from the president to the Guatemalans.

In this second memorandum, we will provide details on new emergency plans and the work platform for the immediate future and for the remaining 4 years of the administration.

In this memorandum, we will list the amounts of money we will be using and how we will be using them. We are going to put special emphasis on programs that are particularly important; first, on the program that calls for delivery of land to the peasants. I have to tell you in this regard that we have to resolve two situations that are fundamental: First, we cannot break the country's productive apparatus, because if we bring ruin to the farms that are producing, we will stop exporting, we will stop receiving money, and we will have no place to employ the workers. Second, we have to take care of the most needy people first. How are we going to do that? By selling and buying land. Why? Because most of the Guatemalan peasants have never had access to credit to buy a small piece of land. They have never had credits to plant their land, when they have had land. They have never had access to low-cost tools and the possibility to produce more. We must therefore implement the program that calls for the sale and purchase of free land. We are not going to force anyone to sell. We are going to buy land from persons who may want to use the money they have invested on land to invest in factories, industries, or other kind of investments.

We are going to work first on three programs. These three programs will be presented in May after the presentation of the president's second memorandum to the Guatemalans. We also are going to urge the landowners who will not be selling land to the state to rent land to peasants who are jobless and who will be receiving land as a result of the implementation of the government's program.

Some of these landowners have told me that they fear that once they rent the land, the land will not be returned to them. The state will be committed toward reaching an agreement with the peasants in this regard. The peasants will receive the land under comfortable, reasonable, and acceptable rental conditions; after 1 year they will decide, together with the owner, how the land will be used. So I am calling on the peasants to be patient and accept the state's standard of respecting the law and agreements so rented land can be given to them. To implement this program, I will need a large amount of money.

We are going to be guarantors of the rental conditions, and we are going to acquire some land to deliver to the peasants. I need resources -- money -- to help peasants who have never received cooperation and who do not even have a job to feed and educate their children.

The second program we want to implement, my dear friends, is the prices program. The government has made a huge effort regarding the value of the quetzal in relation to the dollar. It is good that you know that Guatemala is the only Central American country, and probably one of the few countries in the world, that has been able to reevaluate its currency instead of devaluating it. While before we needed 4 quetzales to buy a dollar -- something that made items expensive -- now we only need 2.50 quetzales to buy a dollar. We have established this both at the banking market and at the state's official market.

Therefore, we believe that prices must be adjusted. We are going to make adjustments at the 2.50 rate. What does this mean? It means that we are going to talk to our private enterprise friends, to factory owners, to bring prices down a bit, reducing the dollar to the present 2.50 quetzal value that it has in Guatemala. That is, we are going to work to reduce the cost of living. In all these programs, the state and private enterprise, working from common agreement, will try to increase Guatemalan investments. This is called reactivating the national economy. Why are we going to do that? To create sources of employment for all workers who are now jobless and do not receive any salary.

In this regard, we have three [as heard] fundamental policies: state investments on rural roads and services and investments by other enterprises. Of course, we will call for the improvement of workers' salaries in the country's interior. We want to create sources of employment and opportunities for at least 100,000 Guatemalans. Let us hope we can do this with everybody's cooperation and help.

State investments will be aimed at services. This means drinking water, rural roads, and other things the country needs, such as communication, but especially medicine and health. We want to make medicine inexpensive in Guatemala. This is why on 8 May we will be announcing and implementing a program for people to buy medicine at low prices.

The month of May, my friends, will be the time for the presentation of a series of programs that will complement the memorandum I have presented to you.

We will be making specific proposals to state employees for the creation of the Civil Welfare Institute, for a reclassification of jobs and salaries, and for a more just treatment of state employees. To achieve this, all of us have a role and a task to accomplish.

I want to tell you about the role and the task of the government and of the state employees. At this moment, some employees are discussing salary increases and other improvements. We are prepared to listen to all reasonable positions and proposals because this is a democratic government ready to establish dialogues. However, regarding salary increases: My dear friends, we cannot give salary increases; we definitely cannot accept that. Why? Because the government has a limited amount of resources, and I have to think about benefiting 5 million Guatemalans who need the programs the government is going to implement -- students need schools in the country's interior, towns need roads, the people need low-priced medicine, and we need resources for that. The peasants need land. We have to place credits at their disposal. We need resources.

If I were to use the resources of 5 million Guatemalans to increase the salaries of state employees, I would not be able to benefit the 5 million Guatemalans. So I have to choose. This is why I have mentioned the possibility of giving two reasonable salary increases based on what the state can give. I did this to take the initiative, because I think that state employees also have to be motivated so they do their work responsibly.

But I have always said that state employees are public servants and that we work for the Guatemalans; therefore, if we have to choose between our own interests and those of the Guatemalans, we have to side with the Guatemalans because it is the people, including jobless workers, who pay our salaries with their taxes.

Salary increase demands made all the time at the expense of all Guatemalans are not wise.

This is why I want to talk, and I am talking with labor organizations. I want to create awareness that we have a job, that we have received benefits -- which will be explained -- and that we are going to listen to other benefit proposals; but we cannot unselfishly think only about ourselves and not about the peasants, the jobless workers, and all the people in the interior of the country who need roads, low-priced medicine, and jobs to be able to move forward and to promote Guatemala.

This is why, my Guatemalan friends, at this point I have no choice but to go on with the memorandum I have presented to the Guatemalans. This memorandum states that I have decided to use the resources of the Guatemalan people to resolve the most urgent needs of the Guatemalan people, and that I have to ask state employees to think carefully about demanding increases, because benefits for them at this moment would mean no benefits for the rest of the Guatemalans. This would be the case if we think only about salaries. There are other kind of benefits that we can discuss with pleasure.

Why not think, for example, about improving our work, improving efficiency; teachers, for example, giving more classes to improve their students' production; tellers working more time, being more efficient, resolving more problems. The Guatemalan people expect sacrifices from state employees. The president is prepared to make sacrifices, to work 14 or 18 hours to help Guatemala move forward. I invite you state employees to fulfill your responsibilities.

At this point, our responsibility is to use the resources of the people for the benefit of the people, because the president, together with all Guatemalans, making sacrifices for those who are most needy and making common efforts will help Guatemala progress.

This is my position, friends. On 1 May, we will present the second part of the memorandum. We are going to use the resources for the benefit of the people. For the time being, we definitely cannot give increases to state employees. What we have to do is to make sacrifices for the Guatemalan people. I know that we will understand each other, because we have made evident that we have an attitude in favor of dialogue and agreement. Working together, all Guatemalans have and will help Guatemala progress.

CASTRO ADDRESSES GROUP OF 77 CONFERENCE

FL231700 Havana Tele-Rebelde Network in Spanish 0100 GMT 21 Apr 87

[Speech by President Fidel Castro at the opening session of the Sixth Ministerial Meeting of the Group of 77 on 20 April at Havana's Palace of Conventions -- recorded]

[Text] Esteemed Mr President, esteemed representatives from international organizations, distinguished delegations from member countries of the Group of 77, distinguished guests:

It is a high honor for Cuba to host this Sixth Ministerial Meeting of the Group of 77 in preparation for the Seventh UNCTAD Meeting, which will be held soon in Geneva. Allow me to express Cuba's invariable willingness to contribute all of its efforts to the best development of the meeting and to ensure the most productive results from our deliberations based on the necessary unity and cooperation imposed on our countries by the difficult conditions derived from the current economic world situation.

This meeting of the Group of 77 is being held during times that can be called decisive for member countries. Even though the economic and social crisis has permanently accompanied underdevelopment throughout its historic course, it never has been as serious or as intense. Never before have there been so many adverse factors against the Third World placing it at the extreme edge of a bare and precarious subsistence. Never before has access to development been so blocked by the unjust and obsolete international economic order prevailing in the world.

During the Sixth UNCTAD Meeting in Belgrade in 1983, the position of the current U.S. Administration became evident when they rejected world negotiations and promoted disrespect for UNCTAD as a negotiating forum and eventually boycotted this important UN organization. It became evident once again that the United States, on the one hand, does not cease to proclaim the so-called excellent qualities of the market and, on the other hand, it also does not cease to impose its unjust and unilateral protectionist measures as well as its strict monetary-type policies of adjustment.

The countries of the Third World have carried the full weight of the capitalist economic crisis of the 1980's and the development of their economy during this period has been tragic. The price index of basic goods fell to one of the lowest levels of all times. The deterioration of trade relations increased. And if the balance of payments' current account deficits from a number of nonoil exporting countries substantially declined, it was because they sacrificed essential imports for development, production, and consumption while the surplus for oil-exporting countries became a deficit rising in an accelerated manner. During these past few years, the weight of the foreign debt became the most oppressive problem of our suffering and exploited countries.

The paradoxical phenomena that were already developing in the world economy became more evident. They clearly demonstrated the absurd and irrational nature of the existing international economic order. During these crucial years, the most powerful capitalist power, which has more resources than ever before, has allowed itself the luxury of living like a parasite off the savings of the rest of the world, which has not only felt obligated to finance unprecedented fiscal and trade deficits, but also an arms race that has no parallel in history. The effects of the crisis and the negative economic policies of the rich capitalist powers have led the world into a dilemma that has no way out.

They have attempted to make Third World countries -- the less economically developed and the poorest -- support most of their prices. These countries have no historical responsibility for this crisis.

We are witnesses to an unprecedented protectionist tendency in the heart of developed capitalist countries, whuch is dismantling the entire multilateral regime that began after the war and facilitated considerably the liberation of world trade. This occurs at a time when our countries need most to promote their exports and adopt cooperation policies that are more indispensable in an increasingly interdependent world.

We, as so-called debtors and victims of a mercilessly unequal trade, have once again become the financers of that developed and rich world, the economically-developed countries, which have historically been creditors, morally and materially of the developed capitalist world. For centuries we were their colonies and supplied them with a slave work force.

In the financial, monetary area, the Seventh UNCTAD Meeting will confront a more critical situation that is even more important than the one analyzed in Belgrade. The disarray and anarchy in the international capitalist monetary system has continued. The system's regulation programs attempted over the past few years have failed.

The United States continues manipulating the value of the dollar for the exclusive purpose of satisfying its own interests, unscrupulously taking advantage of the role the dollar plays in the world economy, without concern for the inevitable affects that such measures will have on the rest of the world.

Because of the overpriced dollar, our countries experienced increased costs in the dollar debt that the Third World had to pay. With the devaluation of the dollar, these countries monetary reserves have lost value. The prices of the products they sell in dollars have gone down. Their purchases in West Europe and Japan have become more expensive.

It is an Aesop fable, except that instead of the good and bad of each thing, everything is bad for us.

Moreover, though it is true that in the developed capitalist countries the nominal interest rate has fallen, the real interest rate remains high, because their inflation rate has also dropped in recent years. Though the effects of this drop have been positive for underdeveloped countries in terms of servicing the debt, those effects have been many times offset by factors such as the drop in the prices of basic products, dumping [preceding word in English] and protectionist measures applied by the developed capitalist countries. In the Third World countries, unlike the developed countries with market economies, inflation continues to rise despite the adjustment programs they applied. For these countries as a group, the inflation index went from 65.1 percent in 1983 to 152.4 percent in 1985.

In the financial sphere, after the years of excess liquidity that brought the flow of loan capital to the Third World in search of profits that could not be found elsewhere, the flow of financial resources to underdeveloped countries has not only fallen off drastically; the Third World has become a net exporter of capital to developed countries. For example, the underdeveloped countries which as a group had received a net $10.4 billion in 1982 -- the year before the Belgrade UNCTAD meeting -- transferred $31 billion in net capital to the developed countries in 1985.

A specific example in our region: Latin America and the Caribbean transferred net capital of $16.7 billion in 1982, $25.9 billion in 1983, $23.2 billion in 1984, $30 billion in 1985, and $23.2 billion in 1986 -- almost $120 billion in only 5 years. This, of course, does not include losses owing to the deterioration in trade and the loss of capital.

A topic that caused concern for many in 1983 and even before that was the level of foreign indebtedness the Third World had reached, and the growing plunder of financial resources that our nations endured in order to be able to service the debt. The situation since has dramatically become worse. What some people called catastrophic predictions are bitter realities of the present. The unpayable nature of that debt which seemed a remote possibility then, is a fact that no one disputes today. That debt has grown from $871 billion in 1983 to a little over $1 trillion in 1986, while the annual servicing rose from $88,767,000,000 to an estimated $118 billion plus in the same period. The magnitude is such that if we forgot the terrible realities and began to dream, for instance, of a 20-year grace period for the amortization of capital, an interest rate that would remain constant at the present 6 percent, the limitation of interest payments to 10 percent of exports, exports which in turn would grow at the incredible annual rate of 10 percent during 20 consecutive years, and a debt that would not rise by a single cent, at the end of this period the Third World countries would have paid an amount higher than the total debt at present, and they would still have a debt approximately the same as the present one. This means the debt is not payable, not even in dreams.

Though the effort to service the debt has occasionally shown positive trade balances, this has been at the expense of restricting our imports to subsistence levels. The prices of the products we export have collapsed in recent years. The markets where we sold them have been closed to us behind heavy protectionist barriers by the same people who demand a punctual and orderly payment of our obligations. The more we pay, the more we owe. It is because monetary manipulations agreed upon by the big capitalist powers are robbing us of our scarce resources, because multinational banks deny us credits when we most need them or grant them under conditions akin to medieval usury.

Despite declared changes presumably designed to soften the attitudes of those financial institutions of imperialism, the IMF and the World Bank have continued in the last 4 years to seek adjustment policies, over any other consideration or cost, to ensure the servicing of the debt by the economically underdeveloped world.

The joint meetings of the IMF and the World Bank have been used also to launch initiatives such as the so-called Baker Plan aimed at promoting the most efficient exploitation of the Third World under cover of a presumed additional financial aid to a selected group of debtors.

The persistent traditional emphasis was evident recently at the spring meeting of the IMF interim committee, at which the demands of the Group of 24 were once again ignored. Only a hypothetical revision of some aspects of the conditions IMF levies has been accepted. If anything, the only new thing in that meeting was to turn the collection of the debt into a modern version of the embargo of our deplenished resources through the so-called debt capitalization process. It is not enough nowadays to renegotiate our payments at the expense of mortgaging our future. It is not only a matter of plundering financial resources we do not possess. Now, there are attempts to steal our companies too, our lands, our industries, our mines, which would become foreign-owned.

The control of the country's economy would be lost and payment of juicy profits to transnational companies would take the place of interest payments. All of this against the cynical backdrop of a new vision that claims that the debt can be paid and development ensured at the same time. The capitalization of the debt is an eloquent demonstration of how far these unscrupulous creditors will go. They gave us devalued currency to collect later in the same, but overvalued, currency. They handle the interest rates at will. They manipulate the prices of our products and close our markets. They exploit us with all means within reach and now also want to directly take over our natural resources.

Today, in the midst of this unprecedented crisis, international trade, a traditional topic at the UNCTAD deliberations, is characterized by three elements that are tremendously adverse to our countries: the collapse in the prices of basic products, entrenchment of unequal trade, and growth of protectionism. Basic products, which continue to represent two-thirds of the export income of the Third World, have undergone a truly drastic plunge in price, which entails an economic catastrophe for the large majority of countries that depend on them. Between 1980 and 1986, the real price index for basic products calculated by the World Bank fell by 30 percent, reaching the lowest level since the crisis of the thirties.

It was estimated at the end of 1985 that the drop in the price of basic products occurring in that year alone meant $65 billion transferred by the impoverished and indebted countries of the Third World to the developed capitalist countries. This means a contribution equivalent to a fourth of the annual growth rate of those countries that year.

In this disastrous situation, which occurred at a time when the income from exports were most sorely needed to face the crisis, the reduced demand has undoubtedly played a role along with recessive policy imposed by the United States. In addition, the transnational companies control over the marketing of basic products is very much in force. This includes transportation. Control covers more than 80 percent of the sales of the great majority of these products and over 90 percent of some of them.

In addition to the abrupt drop in the price of basic goods, there is the violent reduction of the purchasing power of the exports of these products owing to the increase in prices of the manufactured goods we import. This constitutes a perverse phenomenon called unequal trade which alone would demonstrate that the Third World countries are really the creditors if we consider how much has been taken away from them on this score.

In 1983, when we presented our report at the Seventh Nonaligned Movement Summit, we gave some examples that illustrate unequal trade during 1959-82. Allow me to repeat these examples and bring them up to date with the most recent data to show how in the last 5 years the situation has become worse in an alarming way.

In 1959, with the income received from the sale of 24 tons of sugar, you could buy a 60-horsepower tractor. At the end of 1982, 115 tons of sugar were needed to buy that same tractor. In 1987, you already need 133 tons. In 1959, with the income received from the sale of 6 tons of jute fibers, you could buy a 7- to 8-ton truck. At the end of 1982, you needed 26 tons of jute to acquire the same truck. In 1987, you have to have almost 54 tons.

In 1959, with the income from the sale of a ton of copper wire, you could buy 39 x-ray tubes for medical use. At the end of 1982, the same ton would buy only 3 x-ray tubes. In 1987, a ton will not buy even one.

The IMF itself recently calculated that in 1986 alone, the Third World lost around $100 billion because of unequal trade. The goods exported by the Third World are often produced without any kind of mechanization, with men, women, children and the elderly working 12 to 14 hours a day and getting paid subsistence wages and no medical assistance or unemployment benefits. Their average life span is sometimes under 40 years. They have no education. They have no hopes. Those goods are exchanged for industrial products manufactured with high technology, huge dividends for the companies, and high wages. In other words, with the prices they pay us we pay for the profits of the companies, the high salaries, the taxes, the unemployment subsidies, the retirement pay, the social benefits, the advertising campaigns, and even part of the military expenses. In addition, protectionism continues to grow unbridled. The United Nations estimates that around 50 percent of Latin American exports face some sort of restriction in the United States, the EEC, and Japan.

Between 1980 and 1985, the United States and the EEC have spent some $60 billion each to subsidize and support agricultural prices. Meanwhile, Japan spent some 51 billion [currency not specified] between 1980 and 1983. A broad spectrum of exports such as textiles, footwear, steel, home appliances, and a large number of agricultural products are facing a dense network of protectionist barriers.

A cruel example of protectionism, of the transnationals companies influence over the fate of many export countries, and of the application of subsidies is the way sugar is treated. In 1986, it imported less than half a million tons. This violent closing of the U.S. sugar market resulted from decisions made by a small number of monopolistic firms without taking into account the ruin they were condemning their traditional suppliers to when they went from the use of sugar to other sweeteners.

For its part, the EEC after having been a heavy importer of sugar became a large exporter in a short period of time. It is demanding a 5-million-ton share in the world market. With its actions, it is unscrupulously contributing to dashing the renewal of the international sugar agreement. All of this is done with subsidies for its inefficient producers and rigid protectionist barriers.

Other basic products are in danger of being substituted by chemical products, as was the case with fibers, rubber, and others, thus ruining exporting countries.

The injustice of the present international economic order is laid bare here. A developed country, or a group of developed countries, abruptly adopts a ruling condemning millions of people to starvation. This is simply inhumane and intolerable. We must fight for the establishment of international standards that will regulate the introduction of substitutes and define the rules to be applied and the conditions and time required for affected countries to reorient their exports or to change their structure, and to have the necessary cooperation to achieve this aim.

The current U.S. trade law mixes rhetoric about the so-called market magic with aggressive protectionist measures. This is important not only because of the protectionism it already has fomented, but because of the basis it provides for the protectionist wave to continue to swell. This law provides for reciprocity based on the threat of reprisal. It extends its application not only to the market of goods but also to the investment of capital and the market of services, granting powers to the U.S. President to apply measures concerning aspects as intimately linked to our countries national sovereignty as are the policies of industrial development, standards for the control of foreign capital, exports promotion, and the public sector.

With the resistance headed by the United States to the implementation of the integrated basic products program and the common fund, and with the crisis in the basic products agreements, the commercial demands of the Third World are even more ignored and rejected than at the time of the Belgrade UNCTAD meeting in 1983.

Commercial negotiations, for whose realization we have been summoned, have not been conceived to discuss our demands but to consider the topic of the service market, which is of great interest to the developed capitalist countries because of the great advantage they already enjoy in this market and its important role in the domination of future markets. In this regard, we are concerned about the lack of progress in the GATT negotiations owing to the position adopted by the developed capitalist countries, especially the United States, which, in addition, have violated their pledges at the ministerial meeting of Punta del Este with regard to the nonadoption of new protectionist measures.

Our unity and ability to act intelligently and firmly are conditons that will prevent the forthcoming round of multilateral trade negotiations known as the "Uruguay Round" from merely becoming an occasion for the United States and its principal allies to obtain the juridical sanction of the superiority they already possess in the service market and to give this superiority a character that will turn the service sector, with its strategic high technology components, into a closed preserve where we, the countries that hope to be developed one day, will not be able to enter. That round of trade negotiations must be used to reverse the protectionist wave that is ruining us, to reject the principles of reciprocity based on reprisal and interference in our countries' sovereignty embodied in the U.S. foreign trade law in order to strengthen the principle of preferential treatment for the Third World countries, to fight the policy of subsidies and dumping, to improve the marketing of agricultural products and of the basic products program and the common fund, and to revitalize the basic products agreements.

In view of these realities, what kind of future lies in store for our nations? In 1985, the population of underdeveloped countries represented more than three-fourths of the world's population. According to estimates, 83.1 percent of the plant's population, 6,779,000,000, will live in the Third World in the year 2025. This means that in the next 40 years, less than a man's life span, our countries will have to deal with the colossal challenge of feeding, clothing, educating, and offering employment, housing, and health services to an average of almost 80 million additional human beings.

Will our poor, indebted, and plundered countries be able to accept the challenge? The future aside, the present is already sufficiently dramatic. The economic crisis, aggravated in the underdeveloped countries by the crushing burden of the debt and the brutal plundering of unequal trade, is exacting a terrible social toll in the Third World that translates into almost 1 billion starving people, 185 million children suffering from malnutrition, more than 500 million unemployed and underemployed, 857 million illiterates, an infant mortality rate 8 times higher than in developed countries -- these and many other very well known figures indicate that for the large masses of men, women, and children of the Third World, the economic crisis imposed on our countries translates today into more hunger, more poverty, more ignorance, more disease and death, more despair.

The countries that are euphemistically described as less developed, have increased in number. Between 1981 and 1986 the number of those less developed countries has gone from 31 to 40. In these countries, the overall picture is even worse; thus, urgent and real solutions are necessary.

During these past few years many theories have been presented in an attempt to teach us how to overcome the crisis without changing the unjust international economic order we are enduring. Thw most widely spread idea has been the one of the so-called market magic by which the economic recovery of the developed capitalist countries would drag us out of the crisis. What really has happened?

After a partial and unstable economic recovery in 1984, the growth rate for the countries grouped within the OECD went from 4.7 percent in 1984 to 3 percent in 1985, and 2.5 percent in 1986. The most optimistic outlooks barely give us a growth rate of 2.8 percent for 1987. Meanwhile, the Third World grew 2 percent in 1984 and 2.4 percent in 1985. The estimated growth for 1986 is 3 percent. An equal growth rate is expected for 1987. But despite the fact that this is not enough, this growth has not been equally distributed. The truth is that between 1981 and 1986, the per capita product experienced an almost generalized drop. Also in the past few years, decision-making in matters that affect everyone has been in the hands of a small group of developed countries which have assumed the right to decide for our peoples. The so-called economic summits have been held since 1976, and more recently, we saw the birth of an even more select group, the Group of Five.

The Third World cannot just wait for boosts from the developed capitalist countries to overcome the serious social and economic crisis it is experiencing. Today, like never before, we are in need of international cooperation. However, it will be our determination and our strong and united actions that will provide the key and hope to change this oppressive situation. Where can the resources that the Third World needs for its development come from?

First of all, these resources must come from the heavy transfer of capital we are making to the developed capitalist world through the services we pay for the foreign debt and the brutal damage done by the terms of exchange imposed on us. This demands the total elimination of the foreign debt, long ago paid with centuries of slavery, colonialism, and neocolonialism. But the Third World also needs a new international economic order, which was almost unanimously approved by the United Nations. The debt could be erased tomorrow and under current international relations the situation could be the same, or worse, in a very short time. Not only must the debt disappear, but its pillars and main causes as well -- unequal trade, protectionism, dumping, and the financial and monetary manipulation of which we are constant victims.

The developed capitalist world also has a historic and moral debt toward the countries that lagged behind economically. It was our sweat and blood that gave them the wealth to finance their development. They are to blame for our economic underdevelopment and that debt must be paid. However, international cooperation in the struggle against underdevelopment is not a debt to be paid by the ancient metropolis alone. It is also a solidary and ethical reponsibility of all the developed countries, capitalist and socialist. It is also a duty of the more developed Third World countries toward the less developed countries.

In the South-South cooperation there is also a potential source of possibilties in the struggle against underdevelopment. Cuba is a small country of the Third World, however, more than 2,000 doctors and health technicians work for free in dozens of sister countries; more doctors than the UN World Health Organization has. Thousands of specialists and technicians in the fields of education, services, and economy, are also helping. More than 22,000 Third World youths study free of charge in Cuba.

We can exchange technology and cooperate among ourselves in the fields of agriculture with new seeds, new animal races, and agricultural techniques. We can also help each other in the fields of industry and in vital fields such as health and education. We can also promote trade under favorable conditions; we can even mobilize and unite our economic resources. But where is the almost inexhaustible source to fight underdevelopment that could be used to pay off our debts without ruining the creditor banks, eliminating unequal trade, and establishing a new international economic order without having citizens of the developed capitalist countries make the least sacrifice or pay more taxes. Where is this source that could be even used to pay off the old debt with the Third World? They could even pay back the historic debt they have with the Third World. That source is military expenditure. A trillion dollars is spent each year in this senseless and deadly activity. At the current rate, more than $17 trillion will be spent in the next 13 years. How then can it be said that there is no money for more economic justice in the world? All that needs to be done is to change the irrational for what is basically rational. All that is necessary is a little bit of ethics and a sense of responsibility. This is why we have said on many occasions that peace and development are indissolubly linked.

A few days ago we heard the news of a possible agreement on medium-range nuclear missiles in Europe. If this becomes a reality, it will be an excellent step toward an end to the arms race and total elimination of nuclear weapons. A large amount of that money must be used for the development of the Third World. This we must begin to stress at once. If the big military powers among the developed countries were to see the nightmare of a nuclear holocaust disappear, a holocaust that would affect all of us, then it would be only normal for the Third World to dream of a possible end to the holocaust caused by hunger, disease, helplessness, lack of shelter, work, and the most basic standards of living that billions of Third World children, young people, women, men, and the elderly are enduring.

Peace and a right to a dignified and comfortable life must be available to all. This is not something that we will receive spontaneously. As all great feats of man, this also demands unity, effort, and strength. We represent the huge majority of the human race and our just cause can win the support of many sectors of the world, even of the peoples of the economic powers that today plunder us. The developed capitalist world is currently experiencing serious unemployment problems, considerable underutilization of its industrial capacities, and other social and economic calamities that could be eased if the Third World were to adequately increase its purchasing power. It would not be difficult to prove that without solutions to Third World problems there will be no stable and sustained development of the world economy. It is true that without peace there is no development; but it is also true that without development for eight-tenths of the world population, there can be no peace. Therefore, to struggle for our development is to struggle for peace and welfare of all the peoples of the world. For this reason our slogan must be an unflagging struggle for our just and noble demands. I said this 4 years ago when I presented our report to the New Delhi summit; today, in view of the seriousness of the crisis, I reiterate ad ratify it with more conviction than ever and with the hope we will know how to accomplish our goal united and determined to ensure our right to the future, to occupy our place in the world, to achieve our place in history.

Thank you. [applause]

UN AMBASSADOR REFUTES VERNON WALTERS' CHARGES

FL291437 Havana Tele-Rebelde Network in Spanish 1100 GMT 29 Apr 87

[Text] Oscar Oramas Oliva, Cuban ambassador to the United Nations, has sent a letter to the chief executive of the WALL STREET JOURNAL refuting accusations made by Vernon Walters, U.S. ambassador to the United Nations, in an article published on 21 April.

Oramas Oliva said that it is not ethical or even conceivable to insult other countries when one does not share or support another country's perceptions or proposals.

The Cuban ambassador was referring to Walters' criticism of Argentina, Peru, Venezuela, Colombia, and Mexico, countries which voted in favor of a motion made by India preventing a U.S. move to include Cuba as a topic for discussion at the meeting of the UN Human Rights Commission in Geneva.

CPI GENERAL SECRETARY MEETS WITH RISQUET

FL291959 Havana Radio Periodico del Aire in Spanish 1600 GMT 29 Apr 87

[Text] Jorge Risquet Valdes, member of the Communist Party of Cuba [PCC] Politburo, has met with C. Rajeswara Rao, general secretary of the Communist Party of India [CPI]. During the meeting, Rajeswara was briefed on the historic struggle of our people and the agreements reached during the party's third congress. Rao, who is visiting Cuba as guest of our party's directorate, spoke of the positive impressions he has received during his visit to several provinces of the country, his admiration for the great achievements of the revolution, and the similarities between India and Cuba.

AGREEMENT WITH ANGOLA, MOZAMBIQUE SIGNED

FL290237 Havana Radio Reloj Network in Spanish 0203 GMT 29 Apr 87

[Text] The Cuban Institute of Friendship with the Peoples, ICAP, has established in this capital bilateral friendship and cooperation agreements with similar institutions from Angola and Mozambique. The documents were signed by (Domingo Cuelio da Crus, Agner Sansao Motenba), and Reinaldo Gonzalez, from Angola, Mozambique, and Cuba, respectively. The agreements include the work of publishing achievements and experiences in the construction of the new society. They also are aimed at broadening and strengthening friendship and solidarity between the people of Cuba and of those two African nations. They will be a stimulus and guideline for future work. Likewise, these cooperation projects were called a logical continuation of the large and unquestionable fraternal ties which join Cuba with these two African countries that will continue the search for new ways of cooperation.

CUBAN COOPERATION DELEGATION VISITS PRK

For Phnom Penh media reports on the visit of a Cuban cooperation delegation to Cambodia, see the Cambodia section of the 30 April Asia & Pacific DAILY REPORT and subsequent issues.